

FINANCIAL TIMES, February 22, 1977
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FINANCIAL TIMES

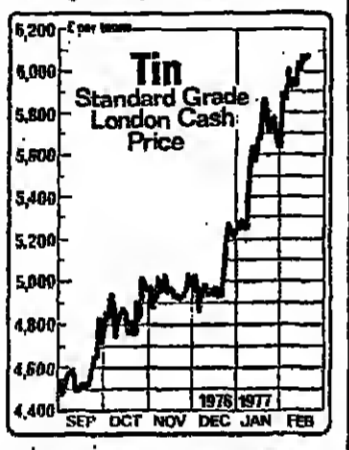
No. 27,203 Tuesday February 22 1977 \*\*\* 12p

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NEWS SUMMARY

GENERAL
Secrets Act charges DW
BANKING
Equities slip 4.0; gilts lower

Equities slipped in thin trade, with official markings the lowest for a Monday since December 20. FT 30-Share Index closed at 389.0, down 4.0. Gold Mines had their biggest one-day rise for 11 weeks.
GILTS shed up to 1/2 and the FT Government Securities Index eased 0.23 in 64.92.
STERLING edged up ten points in close at \$1.7055. Its trade-weighted depreciation widened to 43.5 (43.4) per cent. Spanish peseta remained under some pressure. Lira support measure ends. Page 4.
GOLD rose \$1 to \$137.625.
TIN AND LEAD prices rose slightly to new peaks, but trading was quiet with the New York market closed. Cash tin edged up \$10 to \$8,052 a tonne. Page 27.



WALL STREET was closed for the Friday morning Washington's birthday.
CORPORATION OF LONDON is raising £25m with an issue of 131 per cent. 1983 stock priced at 198.50, giving a 13.58 per cent. yield. Page 18 and Lex.
SHELL is entering the £100m oil market for car accessories and replacement parts. About 2,000 of its dealers will sell such products as filters, ignition and cooling system parts, wiper blades and bulbs. Page 9.
ROLLS-ROYCE plans to make modifications in its Silver Shadow car, with greater fuel economy and a new steering system. Page 9.
OCCUPATIONAL PENSIONS Board has been asked by Mr. David Fennell, Social Services Secretary, to review the security of pension rights for members of occupational schemes, in the light of the high rate of inflation.
MR. EDWARD HEATHS railed for the Treasury to be split under two Ministers, one dealing with taxation and the other expenditure. Back Page and Page 14.
MARCHWEL HOLDINGS made record pre-tax profit of £10.75m. in the year to October 31, slightly higher than forecast. Page 18.
IMPERIAL GROUP'S performance in the opening months of its present financial year is better than in the same period last year, the annual report says. Page 19 and Lex.

Strike hits steel plant
BRITISH STEEL'S most modern steel making plant at Llanwern in South Wales—has been brought to a virtual standstill because of a walk-out by 600 blastfurnacemen seeking extra pay. Back page.
ECONOMIC activity is still growing very slowly, with no sign of an acceleration, judging by latest figures for gross domestic product. Back Page.
NEW international trading arrangements for textiles and leather and dumping measures have been urged by Mr. John Nott, Conservative spokesman on trade. Back Page.
island funeral
Anthony Crosland, the former Secretary, was cremated at Oxford yesterday. There were no flowers or wreaths and the service was private and held at his family's request.
sky dog
A 50-year-old, five-month-old dog, called Battersby, was taken to Battersea home by an RCAF oil slick, left by air raid for her master's palatial Persian tent.
fly
Fred Rowlands, Foreign and Commonwealth Office Minister yesterday admitted that negotiations over sovereignty of the Falkland Islands may take place. Back Page and Page 5.
Queen and Prince Philip are to arrive in Auckland today for the start of a 14-day visit to New Zealand.
Ben Nevis yesterday.
Dan Smith, 60, who led in the Farnham annual race for six years in April, is expected to be paroled month.

IEF PRICE CHANGES YESTERDAY
ce in pence unless otherwise indicated)
RISERS
Gibson 55 + 3
(T. F. & J. H.) 35 + 8
Vita 106 + 7
Muff 155 + 75
Inva 33 + 3
Sawtel 142 + 4
Flex GB 41 + 3
bert and Pitt 116 + 8
Electronic 148 + 5
Thornycroft 56 + 4
Lloyds Bank 132 + 4
Morris (H.) 148 + 4
Rockitt and Colman 340 + 6
Tate and Lyle 235 + 4
Vickers 203 + 30
Shell Transport 498 + 4
FALLS
Treasury 10 1/2pc 1978 261 - 1/2
Assed. News 168 - 4
Assed. P. Cement 276 - 4
Barclays Bank 243 - 10
Beecham 392 - 10
Smithway 250 - 10
Citic's Hidge 321 - 24
GEC 180 - 3
Hawker Siddeley 502 - 8
ICI 338 - 4
Imry Prop. 200 - 7
Lloyds Bank 132 + 4
Morris (H.) 148 + 4
Rockitt and Colman 340 + 6
Tate and Lyle 235 + 4
Vickers 203 + 30
Shell Transport 498 + 4

Callaghan injects new blood into Cabinet

Owen takes over as Foreign Secretary

BY RICHARD EVANS, LOBBY EDITOR

DR. DAVID OWEN was appointed Foreign and Commonwealth Secretary by the Prime Minister last night in succession to the late Mr. Anthony Crosland. The surprise move, which means that at 38, Dr. Owen becomes the youngest member of the Cabinet, was made by Mr. Callaghan in an effort to inject new blood into the higher reaches of the Government. The other major move announced last night was a Cabinet seat for Mr. Josef Barnett, the Chief Secretary to the Treasury, in order to take some of the burden from Mr. Denis Healey, Chancellor of the Exchequer. Mr. Healey had hopes of becoming Foreign and Commonwealth Secretary in succession to Mr. Crosland, who died on Saturday following a severe stroke, but it was stressed last night that the appointment of Dr. Owen was not a temporary one. He takes over the job of Foreign Secretary at a particularly onerous time because of Britain's presidency of the European Community Council of Ministers for a six-month period until the end of June. Dr. Owen, a staunch pro-market and Labour Party moderate, has long been regarded as one of the most promising of the younger generation of middle-ranking Ministers, but was not expected to be promoted to such a senior post so soon. The assumption at Westminster had been that Mr. Callaghan would be obliged to transfer Mr. Healey from the Treasury or put another more senior Minister into the Foreign Office. But the Prime Minister clearly thought that with the Budget due on March 29, and the need for Mr. Healey's invaluable experience during the forthcoming talks with the unions in Phase Three of the incomes policy, the Chancellor must stay at the Treasury. Mr. Healey was known to be anxious to stay at the Treasury for the next few months so that he had a chance of gaining some political popularity at the end of a tough three-year tenure of 11 Downing Street. The appointment of Dr. Owen means, however, that his desired posting to the Foreign Office might not be possible before the next General Election.



DR. OWEN: youngest member of Cabinet.



MRS. HART: constant critic of Government.

The two middle rank appointments announced by Mr. Callaghan last night were the promotion of Mr. Frank Judd to be Dr. Owen's deputy at the Foreign Office, and the appointment of Mrs. Judith Hart as Minister for Overseas Development. Mr. Judd, a moderate Left-winger, was appointed Minister for Overseas Development in December 1976, and he will now take over as the senior Minister at the Foreign Office. Mrs. Hart's appointment comes as a major surprise as she is on the far Left of the Labour Party and has been a constant critic of Government policy from her seat on the Labour Party's National Executive Committee. She resigned towards the end of Sir Harold Wilson's premiership rather than go to the Ministry of Transport. She has held a number of Ministerial appointments, and was Minister for Overseas Development from 1968-70 and from 1974-75. The promotion of Mr. Barnett to the Cabinet will increase its size from 23 to 24. The intention is that Mr. Barnett will continue to concentrate on public expenditure policy within the Treasury, but he will also be able to help Mr. Healey to cope with the extra burdens of the coming months.

Carter expected to propose cut in U.S. defence spending to-day

BY DAVID BELL

THE CARTER Administration is expected to propose to-morrow a number of cuts in next year's defence budget which have been carefully designed to persuade the Soviet Union that the U.S. President is anxious to make rapid progress in strategic arms control. The defence revisions will be part of the overall amendments to the Ford Budget for fiscal year 1978 which are to be sent to Congress to-morrow. It is widely expected that the Carter proposals will call for a deficit of between \$57bn. and \$60bn. in fiscal year 1978, about \$12-14bn. higher than the figure proposed by President Ford just before he left office in January. President Carter's Budget will make provision for the effects of his \$33bn. two-year economic stimulus package, but it will probably not include the possibility of a halt to the production of new Minuteman missiles and the slowing down of the development of the new M-X missile. This last is a new mobile weapon which roughly corresponds to the Soviet SS-20 missile, now being deployed in central Europe. Defence Department officials say that the decision to slow down the M-X programme is intended to be a signal to the Russians in line with President Carter's remarks at his Press conference earlier this month. At that time he urged the Soviet Union to halt deployment of the SS-20 saying that if it did so "it would mean that we would not then, perhaps, spend the larger amount to develop our own mobile missile." It is also expected that there may be an increase of as much as \$600m. on spending in the Budget chiefly to improve the U.S. ability to transport weapons and equipment to Europe if necessary. Apart from increasing spending on shelters for aircraft the Budget apparently calls for more funds to modify civilian cargo aircraft so that, if ever necessary, they can be used to increase the U.S. strategic airlift capacity. The whole Budget is regarded by the President largely as a holding operation. The new Administration has not had the time or the manpower to make very many changes in President Ford's Budget and the \$5-7bn. cut in defence spending about next year—will, if indeed, it ever materialises.

Washington, Feb. 21. The potential effects of the strike are not mitigated by the fact that toolmakers at some plants, including Solihull and Llanelli, continued working normally. The company's 3,000 of its 6,000 toolmakers had joined the strike while the unofficial leaders estimated the number to be 4,500. There are now two major disputes, outstanding—one in the paint shop at Triumph, Coventry, over time and motion study, and another at the Cowley assembly plant, where maintenance mechanics are objecting to reorganisation proposals. Another 1,600 workers are laid off at the truck and bus complex at Leyland, Lancashire, because of a crane drivers' strike. There was a full resumption of work at Ford's Halewood factory yesterday when 12 men who stopped work in the trim assembly area on Friday returned. And 350 Dagenham Ford workers who have been on strike for a week over the dismissal of a man accused of striking a foreman will return to-day. Talks between union officials and management over the future of the man will take place to-day.

Unions protest to Healey over GEC plan for shareholders
LEADERS OF the 11 trade unions in GEC are to protest to Mr. Denis Healey, Chancellor of the Exchequer, about the company's recently-announced capital reorganisation scheme. They say that the plan to convert £178m. of GEC's reserves into interest-bearing capital notes is contrary to the spirit, if not the letter, of the counter-inflation policy. According to union officials yesterday, it would mean a big handout for shareholders at a time when employees' wages were restricted and jobs in the company were disappearing. Mr. Roy Sanderson, a national officer of the Electrical and Plumbing Trades Union and leader of the protesting unions, said they would be taking advice about the possibility of challenging the scheme in court. They would certainly refer the matter to the committee of inquiry into the City, headed by Sir Harold Wilson. The protest follows a regular consultative meeting of the unions on Friday with Sir Arnold Weinstein, managing director of GEC, who explained the purpose of the issue and, according to the unions, held out the prospect of some spin-off for jobs. Mr. John Forrester, deputy general secretary of the supervisory section of the Amalgamated Union of Engineering Workers, said last night: "The unions remained thoroughly unconvinced. The plan has caused deep resentment. We have had a lot of correspondence saying this is a sort of shell-out." He said Sir Arnold had explained that the company wanted to raise capital in the U.S. and the Middle East, because of monopoly and other restrictions in the U.K. This could benefit the U.K. labour force by stimulating the manufacture of components to Britain for assembly overseas, perhaps in the Middle East. The unions accuse GEC of attempting to get round the 10 per cent. dividend-increase limit, and to avoid the high rate of tax that would be levied if the share-out took the form of dividends. They claim that Sir Arnold himself would receive £900,000, of which capital gains tax at 30 per cent. would take only £200,000. Last week the national executive of TASS referred to the GEC plan in the course of a decision to campaign for a return to free collective bargaining in August. The unions are worried about redundancies in GEC because of its involvement in making telephone exchange equipment and turbine generators—two sectors facing severe shortages of orders. Margaret Reid writes: GEC's unprecedented scheme to issue £178m. of capital notes to shareholders, raising their income by 80.6 per cent., was announced on January 7. Its aim was to allow investors in the group to benefit from £400m. of cash holdings built up in a period of dividend control, only a limited part of which could be invested in profitable expansion in a Britain where monopoly considerations restrict scope for growth. In effect, some £178m. of the cash will be earmarked to earn interest which will be passed on to the shareholders receiving the new capital notes. The operation was also seen as some compensation to shareholders for the dilution of the share capital that would be implied in present plans to expand overseas through companies owned abroad by holders who would share in total GEC group profits. The scheme has already been approved by shareholders. Court approval to the complex procedure involving cancellation of initially-issued capital shares and their replacement by the capital notes, is now hoped for by March 11. GEC spokesmen said last night: "We regard the scheme as a return of capital to shareholders who already own it and are entitled to it. It is a prelude to our intention to form an international company or companies which should earn more overseas bonus exports and, so we hope, create more jobs in Britain." The scheme is understood to be acceptable to the Treasury.

Crucial
Factories like Castle Bromwich, SU Carburettor and the Longbridge engine works are crucial to the whole Leyland Cars operation and although the strike had no immediate impact yesterday disruption could be widespread by the end of the week. Mr. Roy Fraser, leader of the unofficial toolroom committee who has written to the AUEW asking for a meeting, said yesterday that he would like to see a return to free collective bargaining because it would "allow flexibility to iron out the anomalies which exist." He denied that the toolroom workers were challenging the social contract as it exists at present but said they were "very determined" and would go "as far as possible to get their aspirations met." Leyland management said it sympathised with the strikers.

Union meets to-day over Leyland row

BY ALAN PIKE, LABOUR STAFF

HOPES OF ending the unofficial concern about differentials but Leyland toolroom-strike before could do nothing under the company's car production sent pay policy. Although the company is meeting of the Amalgamated Union of Engineering Workers present scores of different bargaining units when incomes policy allows it does not want to create elite groups within the structure—as it would be conceding separate company-wide bargaining for toolrooms. Last spring Phase One of the pay policy was challenged by a series of strikes in Leyland Midlands toolrooms which ended only after Mr. Hugh Scanlan and the AUEW executive called the strikers to London and to discuss their claim for separate pay negotiations for toolmakers and action on differentials problems. The company has agreed to meet the toolmakers to discuss general pay issues when there is a return to work. There can, however, be no question of to-day's executive meeting giving support to the strikers in any action which challenges the pay policy. The executive made it clear last week that it did not approve of the strike and this will remain the AUEW's position, even if executive members agree to meet the strikers. Plans hit by the toolmakers' strike yesterday included Longbridge, SU Carburettor and the Castle Bromwich body plant, all in Birmingham. The Cowley body plant in Oxford, Jaguar and Coventry Engines in Coventry and Triumph in Liverpool. The company's 3,000 of its 6,000 toolmakers had joined the strike while the unofficial leaders estimated the number to be 4,500. There are now two major disputes, outstanding—one in the paint shop at Triumph, Coventry, over time and motion study, and another at the Cowley assembly plant, where maintenance mechanics are objecting to reorganisation proposals. Another 1,600 workers are laid off at the truck and bus complex at Leyland, Lancashire, because of a crane drivers' strike. There was a full resumption of work at Ford's Halewood factory yesterday when 12 men who stopped work in the trim assembly area on Friday returned. And 350 Dagenham Ford workers who have been on strike for a week over the dismissal of a man accused of striking a foreman will return to-day. Talks between union officials and management over the future of the man will take place to-day.

Concern
It is unlikely that such a blunt approach would have the required effect on the present strikers. But until the AUEW national committee meets in May to reconsider its position on incomes policy the executive is firmly bound to support the present controls. Union leaders are, in addition, no happier than the company to see the formation of unofficial groups like the toolmakers committee. They are also concerned, like the Department of Industry officials, that workers in the State-financed British Leyland should think hard before taking action which might further jeopardise the company's future. Despite the toolroom dispute the number of workers idle in Leyland Cars dropped to about 14,000 yesterday following last week's settlement of a strike at 4.50. The potential effects of the strike are not mitigated by the fact that toolmakers at some plants, including Solihull and Llanelli, continued working normally. The company's 3,000 of its 6,000 toolmakers had joined the strike while the unofficial leaders estimated the number to be 4,500. There are now two major disputes, outstanding—one in the paint shop at Triumph, Coventry, over time and motion study, and another at the Cowley assembly plant, where maintenance mechanics are objecting to reorganisation proposals. Another 1,600 workers are laid off at the truck and bus complex at Leyland, Lancashire, because of a crane drivers' strike. There was a full resumption of work at Ford's Halewood factory yesterday when 12 men who stopped work in the trim assembly area on Friday returned. And 350 Dagenham Ford workers who have been on strike for a week over the dismissal of a man accused of striking a foreman will return to-day. Talks between union officials and management over the future of the man will take place to-day.

Table with 3 columns: Spot, Feb. 16, Previous. Rows for 1 month, 3 months, 12 months.

ONCE YOU'RE IN TUNE YOU HAVE TO HARMONIZE.
SANWA BANK

Table with 2 columns: RISES, FALLS. Lists various stocks and their price changes.

Unions protest to Healey over GEC plan for shareholders

BY CHRISTIAN TYLER

LEADERS OF the 11 trade unions in GEC are to protest to Mr. Denis Healey, Chancellor of the Exchequer, about the company's recently-announced capital reorganisation scheme. They say that the plan to convert £178m. of GEC's reserves into interest-bearing capital notes is contrary to the spirit, if not the letter, of the counter-inflation policy. According to union officials yesterday, it would mean a big handout for shareholders at a time when employees' wages were restricted and jobs in the company were disappearing. Mr. Roy Sanderson, a national officer of the Electrical and Plumbing Trades Union and leader of the protesting unions, said they would be taking advice about the possibility of challenging the scheme in court. They would certainly refer the matter to the committee of inquiry into the City, headed by Sir Harold Wilson. The protest follows a regular consultative meeting of the unions on Friday with Sir Arnold Weinstein, managing director of GEC, who explained the purpose of the issue and, according to the unions, held out the prospect of some spin-off for jobs. Mr. John Forrester, deputy general secretary of the supervisory section of the Amalgamated Union of Engineering Workers, said last night: "The unions remained thoroughly unconvinced. The plan has caused deep resentment. We have had a lot of correspondence saying this is a sort of shell-out." He said Sir Arnold had explained that the company wanted to raise capital in the U.S. and the Middle East, because of monopoly and other restrictions in the U.K. This could benefit the U.K. labour force by stimulating the manufacture of components to Britain for assembly overseas, perhaps in the Middle East. The unions accuse GEC of attempting to get round the 10 per cent. dividend-increase limit, and to avoid the high rate of tax that would be levied if the share-out took the form of dividends. They claim that Sir Arnold himself would receive £900,000, of which capital gains tax at 30 per cent. would take only £200,000. Last week the national executive of TASS referred to the GEC plan in the course of a decision to campaign for a return to free collective bargaining in August. The unions are worried about redundancies in GEC because of its involvement in making telephone exchange equipment and turbine generators—two sectors facing severe shortages of orders. Margaret Reid writes: GEC's unprecedented scheme to issue £178m. of capital notes to shareholders, raising their income by 80.6 per cent., was announced on January 7. Its aim was to allow investors in the group to benefit from £400m. of cash holdings built up in a period of dividend control, only a limited part of which could be invested in profitable expansion in a Britain where monopoly considerations restrict scope for growth. In effect, some £178m. of the cash will be earmarked to earn interest which will be passed on to the shareholders receiving the new capital notes. The operation was also seen as some compensation to shareholders for the dilution of the share capital that would be implied in present plans to expand overseas through companies owned abroad by holders who would share in total GEC group profits. The scheme has already been approved by shareholders. Court approval to the complex procedure involving cancellation of initially-issued capital shares and their replacement by the capital notes, is now hoped for by March 11. GEC spokesmen said last night: "We regard the scheme as a return of capital to shareholders who already own it and are entitled to it. It is a prelude to our intention to form an international company or companies which should earn more overseas bonus exports and, so we hope, create more jobs in Britain." The scheme is understood to be acceptable to the Treasury.

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SANWA BANK

Table with 2 columns: FEATURES, ON OTHER PAGES. Lists various news items and their page numbers.

Advertisement for Sanwa Bank featuring a large image of a person and text: ONCE YOU'RE IN TUNE YOU HAVE TO HARMONIZE. SANWA BANK

LOMBARD

The mythical conspirators

BY ANTHONY HARRIS

FIRST Richard Crossman, then Joe Haines, now the New Statesman, the Labour myth of an official plot to prevent the birth of Snowflake...

It is only too easy to laugh at the whole business, but it is misguided to prove persistent, because although it is a travesty of the facts, there is something in it, and since evidence can be found which seems to support it...

Yet there is something in it, that is what makes it so difficult to exorcise. The most obstinate underlying fact is that British Governments have to get re-elected, and the Treasury team...

To exorcise

Yet there is something in it, that is what makes it so difficult to exorcise. The most obstinate underlying fact is that British Governments have to get re-elected, and the Treasury team...

The fact that almost every British success is initiated by a sterling crisis therefore seems to support the myth, but the fact that this has happened as often under Tory and under Labour rule should prevent an intelligent observer from jumping to "political" conclusions...

RACING BY EDMUND PENNING-ROSELL

Kirwaugh is likely to score

THIS AFTERNOON'S intended Towse meeting has become the 100th programme to be lost to the weather this term. However, prospects are set fair for Sedgfield, and racing may also take place at Newton Abbot.

No trainer in the north or south is currently turning out as many winners as Gordon Richards, and I shall be surprised if he does not maintain his run with at least one winner in the C. D. Cup...

Here his best chance could well lie with that tough handi-capped hurdler Kirwaugh, among the 17 runners for the 24-mile Crook Hurdle.

A game winner from Dolben Lass at Southwell when gaining his sole success from 13 attempts last season, Kirwaugh showed he would soon be regaining winning form with a fine effort at Ayr towards the end of last month...

THE UNDERLYING strength of the international jewellers market was once again revealed at St. Moritz over the weekend when Sotheby's held an auction of fine jewels...

The total from the three sessions was £1,394,938, just about the midpoint between the low and high pre-sale estimates. A disappointment was the withdrawal of the prize lot, a sapphire and diamond tara...

Demand was nicely spread with private buyers, who wish to remain anonymous, and dealers, including buyers for the Middle East. An emerald and diamond ring sold privately for £63,000...

I believe that this distrust of change arising from distrust of politicians, is a well-established fact, and a tragic one, for it hampers those who want to find genuine cures to our problems...

Sure to be better for that race, in which he showed a vast improvement on his previous two outings, Kirwaugh seems likely to score at the chief expense of the course and distance winner in Vision, from whom he is likely to receive 5 lb.

Although many backers are likely to settle for Kirwaugh's stablemate, Cromwell Road, in the Grand Prix, I have a feeling that his 12 at 7 lb may prove too severe a burden in the prevailing conditions.

Fairhouse Club has announced a major increase in the value of the Irish Distillers Grand National. This race to be run on April 11, nine days after the Royal National, has had its prize money increased by one-third. It will now carry £16,000 in added money.

Neel Murless, who many people in racing had expected to receive a knighthood in the last honours list, is to become a steward at his home course, Newmarket.

Murless, nine times champion trainer, who trained eight classic winners at Newmarket, will officiate for the first time at the Royal National, May 12, when he will be joined by two other well-known former trainers already acting at Newmarket as Murless's close friends, Sir Gordon Richards and Jack Waugh.

Other good prices were the £1,900 from Chelsea Coins for a Swiss cartouche shaped gold presentation snuff box, set with a miniature of King Otto I of Greece; £1,200 from the New York dealer Fischang for a diamond necklace, each sold for £42,000.

A feature of the sale was the good prices for art deco. There was a surprisingly high price of £3,200 paid by Speelman at a Christie's sale of miniatures and objects of vertu for a miniature of a pair of flowers painted in oil on copper by Jan Van Kessel. Its top estimate had been £500.

The popularity of postal history was well illustrated at a Harmer's auction where a letter posted from Bangkok to Saigon in 1867 and delivered via Singa-

WINE BY EDMUND PENNING-ROSELL

Why Armagnac is different

BY EDMUND PENNING-ROSELL

There are two main causes of the difference between armagnac and cognac: soil and method of distillation. In the Gers the soil is largely clay and sand, with some chalk in Haut-Armagnac, to the east...

The Gers is divided, roughly east-to-west, in three parts: the Haut-Armagnac, Ténarèze, and Bas-Armagnac. The first contains the departmental capital, Auch, famed for its splendid cathedral, but not for its armagnac, for little is produced in this district.

The traditional grape of the Gers was the same as in the Charente: the Folle Blanche, also known as the Picpoune. In both regions this has largely been displaced by the St. Emilion, which is much more resistant to rot. There is also 10-15 per cent of Colombard. It is said, however, that the Folle Blanche, having more acidity, produces a finer armagnac, and the same is alleged with cognac.

Although this is now known as the classic armagnac, it was developed in the late 19th century, double-distilled armagnac. Until the 1930s the dominant spirit was the single-distilled, or "white", armagnac, which was produced in the Gers.

However, thanks to trade pressures, the classic charentais was in 1972 again allowed and now something like 25 per cent of armagnac is double-distilled. The advantage, it does not keep, bottle or sell which matures more quickly and produces a softer, smoother...

On the other hand, it is on 10 ha, but the average holding is less than 3 ha, and the armagnac's special qualities, as growers also produce other crops—80 per cent of the operative members do.

Until fairly recently traditional armagnac was a travelling, ambulant affair that looked rather as if it had been designed by Gers Stepperson—or Heath Robinson. But now it has largely been superseded by fixed stills, which the growers send the market that has certainly influenced this development.

As mentioned in the previous article, armagnac has to some extent adopted the quality-coding of cognac. Three VSOP, Napoleon, X.O., etc. However at the higher level there are a host of special names. Janneau has Fondante with an average age of 16 years and Trés Vieille Réserve about 30 years. Sempe—sold the U.K. by Stowells—is President of about 10 years while Samsiens has a fine Vieille Rélique.

The co-operatives Marquis Cassard runs to 10,000 Hectares (25,000 acres) of vines, some of 30 years. Dambail, only has 15-year-old vines, serve, but also sells old armagnacs of which I found 1895 interesting but powerful. I preferred a more supple 1950. Since in the area there are 79 merchants, including the co-operatives, and another outside, it is impossible to visit recently. Nearly all leading firms have agents living reasonably well in the Gers.

Widely spaced. The Gers vineyards are now generally planted with high vines widely spaced, and these were pioneered 20 years ago by M. Louis Faget of the Domaine de Péberère, near Condom. This greatly facilitates mechanical cultivation, essential in a department with a sadly dwindling population. M. Faget, president of the 1,200-strong independent growers' association, is a typical larger producer. With 40 ha, he distils a quarter of his production himself, sells another quarter to be distilled by other companies, and the rest of it is sold wine which he disposes of to the best of his ability, but does not keep, bottle or sell which matures more quickly and produces a softer, smoother...

SALEROOM BY ANTONY THORNCROFT

St. Moritz jewels fetch £1.3m.

THE UNDERLYING strength of the international jewellers market was once again revealed at St. Moritz over the weekend when Sotheby's held an auction of fine jewels...

The total from the three sessions was £1,394,938, just about the midpoint between the low and high pre-sale estimates. A disappointment was the withdrawal of the prize lot, a sapphire and diamond tara...

Demand was nicely spread with private buyers, who wish to remain anonymous, and dealers, including buyers for the Middle East. An emerald and diamond ring sold privately for £63,000...

Other good prices were the £1,900 from Chelsea Coins for a Swiss cartouche shaped gold presentation snuff box, set with a miniature of King Otto I of Greece; £1,200 from the New York dealer Fischang for a diamond necklace, each sold for £42,000.

A feature of the sale was the good prices for art deco. There was a surprisingly high price of £3,200 paid by Speelman at a Christie's sale of miniatures and objects of vertu for a miniature of a pair of flowers painted in oil on copper by Jan Van Kessel. Its top estimate had been £500.

The popularity of postal history was well illustrated at a Harmer's auction where a letter posted from Bangkok to Saigon in 1867 and delivered via Singa-

Peyton Place after breakfast

YORKSHIRE TELEVISION is to embark on Monday on a nine week experiment of early morning programmes. "Good Morning Calendar" from 8.30 to 8.45 will include news, a look at the newspapers, a filmed report and news of local events. Then there will be cartoons, followed by a daily instalment of the American serial Peyton Place.

ENTERTAINMENT GUIDE

Entertainment Guide listing various theatre performances, opera, and radio programmes across different regions.

TV Radio

- Indicates programme in black and white. Take Hart, 5.35 Paddington. 5.40 News. 5.50 Nationwide (London and South East only).

F.T. CROSSWORD PUZZLE No. 3312

Crossword puzzle grid with numbered squares for letters.

- 1 Prayer that fired some (6) 6 Well spoken although may be bent (10) 11 Part of one's best snit? (5) 12 Resistance needs help in invasion (4) 13 Spice blade would be contemptible (10) 14 Coach, or more than one, follows to East Riding (7) 15 Tell about the dead (8) 16 One of a type? It could be more (6) 17 Withdraw soldiers reversing in race? (9) 18 Arrives grudging marriage certificate in an elegant style (10) 19 Land in Paria legally (4) 20 Extravagant and party without reserve (5) 21 Love a way home like a brewery supplier (9) 22 Creating Salvation Army playing on old stringed instrument? (8) 23 Drive back about one and annal (6) 24 Educated person left to say it again (8) 25 Finish school season in a note (9) 26 North-easterly way home (4) 27 Is he slow to grovel? (7)

annie Scott's Club  
Susannah McCorkle  
by KEVIN HENRIQUES

Susannah McCorkle is an African singer of stylish, sophisticated, well-written songs... She is a jazz singer. Feeling which she sings 17 of his known and belief in, the words of almost all of them originating in films of the 1930s and 1940s... She is a jazz singer. Feeling which she sings 17 of his known and belief in, the words of almost all of them originating in films of the 1930s and 1940s...

Camden Arts Centre  
The London Group  
by WILLIAM PACKER



Stan Smith: Tights Light

After several years wandering in the wilderness, regretful of its old Suffolk Street home and the good old days in general, the London Group has settled lately, and so it seems, in a new house, and this welcome access of security has markedly helped its confidence... The Camden Arts Centre provides an admirable space for the moderately-sized mixed exhibition of this kind...

Library Theatre, Manchester  
Sell-Out by B. A. YOUNG

Political satire raises its head today's story, with the welcome head at the unexpected Duchess of Sutherland instead of the venue of Manchester's municipal Baronesse Falkender... The company, incidentally, is an interesting one. It serves not only the pleasant 300-seat Library in the city centre, but another theatre in Wythenshawe, and contains some 30 members supported by municipal funds...

Covent Garden  
Elisabeth Schwarzkopf

The Schwarzkopf recital last year in the Wigmore Hall was bold and splendid; at the Royal Opera House on Sunday she settled into her programme more contentiously... She cooed her way into the first group of songs, as if testing the hall. She took heart with Wolf, as usual, hitting upon a strange, exuberant timbre for "Sonne der Schummerlosen" and a bluff heartiness for "Fussreise"...

abeth Hall  
Ricci/Ogdon  
by RONALD CRICHTON

recital including violin kind, including soft, poetic as by Busoni and Debussy effects as well as stunning brilliant as arcane arrangements (Liszt by Joachim and Liszt by Szjmanowski, might offer an obvious early in de. M. Lefons "Le Miroir" to of caution and tight pursue... Yet the Elizabeth Hall Grove work-list. Not a neglected very nearly full on Sunday tuggled Ricci, a virtuoso part even more so. Of greater interest was a transcription of a Liszt Hungarian Rhapsody by ed to the 19th century tr-Jochim, showing a less solemn tradition as incorporated side of the Brahmsian aspect so deeply ss will embody the GLC admiring this side of the Chanel. Szjmanowski's transcriptions for violin and piano of three of Paganini's violin caprices date from 1913 when his late-romantic language already luscious (the opera King Lear was seen to follow). The Caprice No. 24, is the one with a theme used for variation by several composers; including Brahms and Rakhmaninov. Oddly enough, though the atmosphere is Slavonic, the movement of Szjmanowski's piano writing is rather Brahmsian. It was typical of Ricci to add the remaining two transcriptions as encores. Typical, not only in generosity, but because they are dreamy and (though elaborate) subdued, shot through with shimmering colour but not calculated to set the house in a roar.

me Letter  
Carmelo Bene's fantasy  
by WILLIAM WEAVER

decade or more ago, actor-producer Carmelo Bene he notorious bad boy of the in theatre, the king of the ground. In Rome, he sed the public and most of rities with his variations on known theatrical themes: t Salome, and so on. He e a book, he made a film reated a following which be more and more numerous, no the threshold of middle he continues to rant inter- a in which he writhes against Establishment against the of the Italian theatre, st the critics. But in the while, the Establishment quietly taken him over. A weeks ago he appeared on usually still Italian televi- in reading Russian contem- poetry. And at present "version" of Shakespeare's and Juliet is playing at push Teatro Quirino here, rry from the avant-garde of Bene's original produc- er these early productions e was an engaging home- quality, as if the whole all) cost had been up all stitching costumes or run- up the tatty scenery. In midst of the clutter and con- on, Bene's imagination what he did and said was but it had a winning im- ence, and some of his gags e brilliantly funny. nat kind of inspired self- lence is missing from the ent, since the set, designed by Bene, is vulgar as ever, but profes- sionally made. So are the cos- es. And the play is curiously Microphones line the stage ar flowers which form must be decoy, rather than PA system

Purcell Room  
Laszlo Simon

The Hungarian pianist Laszlo Simon (b. 1948) divided his recital in the Purcell Room last Friday between Bartok and Liszt. It was no fault of his that the extraordinary Liszt playing of Jorge Bolet the previous evening was still ringing so powerfully in our ears; but certain comparisons were unavoidable. They were also unfortunate, for Mr. Simon is an exceptionally talented young artist: he has a strong technique, and a searching, individual way with the familiar romantic repertory that showed a refreshing contempt for easy cliché; his manner is quick and confident, and he is not afraid, when necessary to push himself to his limits. But on this occasion, in the three Liszt pieces which made up his second half, he over-stretched himself. The overall impression was of three extremely promising performances, all of them greatly over-drilled. The inner voices and harmonic implications of the slower music were organised with meticulous care; the fast music was played with marvellous accuracy, stupendously fast. Yet there was something missing: a grandeur, a boyacot romantic sense, without which all the rest went for less than it ought. It is the Mephisto Waltz, which sounded more impressive, and just as exciting, given with less frenzy, but with more care for the dramatic shaping, more indulgence of the sensuous Lisztian line. The presentation of both Paganini's and Ricordanza was equally brilliant — and equally lacking in number of authentic ingredients of high romance. Mr. Simon's Bartok was more impressive. He delivered a fine, pungent account of the op. 14 Suite, and an attractive sequence of pieces from For Children, simply and neatly proposed, without any kind of artiness or affectation. In an otherwise admirable and closely-worked performance of Bartok's Sonata, he plunged for the virtuoso trap of the outer movements, sacrificing altogether too much musical detail for the sake of sheer exhilarating speed. DOMINIC GRILL

Purcell Room  
Warwick University

Close on the heels of Surrey and poignant. In a large church would have risen to the challenge of Brahms or Reger. Christopher Rowland, who leads the Fitzwilliam Quartet, played two recent violin pieces by English composers, Anthony Gilbert's A Treatment of Silence pointed up the difficulties of combining electronic sound with conventional instrumental sound; I was far more attracted by the ramifications of the background "beartheat" noises on tape than to St. Cecilia gave way to a like-by the very ordinary, not over-enthusiastic flourishes of the violin. Giles Swayne's Duo (in which jubilate, a wordless outpouring of ritual song by a soprano (the pure and sharp voice of Gillian Fisher) with the choir muttering solemnly under Roy Wales' tight, well-phrased direction; it made one regret that there was only piquant Haydn canzonets and throwaway Seiber limericks to chord perhaps redundant? NICHOLAS KENYON

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EUROPEAN NEWS

Lira holds steady as Italy ends currency surcharge

BY DOMINICK J. COYLE

ROME, Feb. 21.

THE abolition to-day of a special foreign currency surcharge imposed last October as one of the Italian Government's measures to protect the lira caused virtually no change in the currency's rate of exchange. The official rate against the U.S. dollar closed to-night at 882.75, in a market which Milan dealers described as "particularly thin" without any apparent support from the Bank of Italy. The lira is still supported by, among other things, exceptionally high domestic interest rates and the special import deposit scheme introduced last May and now operating at a rate of 25 per cent. The Government intends the rate to fall to 10 per cent. at the end of this month, and the deposits are due to be eliminated in April. Meanwhile, trade payments are inevitably being distorted through leads and lags. As more long-term support for the lira, the Government hopes to have concluded by around mid-April the protracted negotiations with the International Monetary Fund on an additional Italian drawing of at least \$500m. under the terms of the so-called Jamaica agreement. These negotiations have continued on and off for more than a year now, having been chiefly held up by the insistence of the IMF that Italy must make firm undertakings to cut back on both the escalating Treasury deficit and the sharp rise in labour costs. An IMF team is due here within the next week to examine the Government's limited measures towards reducing the rise in labour costs, which involve the Treasury making contributions currently paid by employers, with the increased Treasury spending covered by higher indirect taxes. The fiscal package, which the minority Christian Democrat government hopes to repeat each quarter as threshold payments become due, has yet to be approved by Parliament. The

Jenkins in Rome for talks

BY OUR OWN CORRESPONDENT

ROME, Feb. 21.

MR. ROY JENKINS, the president in a common EEC position for the forthcoming economic summit of the EEC Commission, opened two days of talks with senior Italian Ministers here to-day at the beginning of a tour over the next few months of the capitals of the nine member states. The start of his tour has been scheduled deliberately for Italy, where he will meet Sig. Giulio Andreotti, the Prime Minister, and the Treasury Minister, Prof. Gaetano Stambati. Mr. Jenkins had meetings to-day with the Foreign and Agriculture Ministers, Sig. Arnaldo Forlani and Sig. Giovanni Marcora, and to-morrow will meet Sig. Giulio Andreotti, the Prime Minister, and the Treasury Minister, Prof. Gaetano Stambati. This, it is hoped, will result

Malta reaches out for Libyan support

BY GODFREY GRIMA

MALTA, Feb. 21.

COLONEL Muammar Khadaffi, concluded, though Mr. Mintoff believed to have reaffirmed Libya's readiness to guarantee Malta's neutral status after the Eritrean military bases close in 1979, at a round of secret talks in Tripoli yesterday with Mr. Dom Mintoff, the Maltese Premier. Indications are that Libya would give Malta economic support after the British withdrawal but the size of assistance being offered is not clear, though some specific aid agreements thought to have been reached are still pending. Mr. Mintoff is certain to have raised the question of Libyan investment in Malta, considering that several ventures on which no agreement has already been reached are still pending. Mr. Mintoff's visit to Tripoli comes at a time of anxiety in Malta over the amount of economic aid it can secure after 1979 from Libya, Algeria, France and Italy, whom Mr. Mintoff has asked to guarantee the island's neutrality and economic wellbeing. Addressing Parliament last week Mr. Mintoff said Algeria and Libya have honoured their word but France and Italy are dragging their feet in providing guarantees. "If agreement with France and Italy is not reached we shall use alternative options," Mr. Mintoff warned. "If the negotiations fail, our relations will be with the Arabs."

La Pasionaria a candidate

BY ROGER MATTHEWS

MADRID, Feb. 21.

THE Spanish Communist Party to-night became the first to announce its list of candidates for elections to the new Lower House of Parliament, though it has not yet been legalised. Dolores Ibarruri, 61-year-old President of the party, who plans to return from exile in Moscow soon, heads the candidates for Madrid along with the secretary general, Sen. Santiago Carrillo. Senora Ibarruri, known as La Pasionaria, for her fiery speeches during the Civil War, has applied for a passport. Both she and Sen. Carrillo head the electoral lists in provinces apart from Madrid.

Turkish concession on Cyprus unlikely

By Metin Munir

ANKARA, Feb. 21.

MR. CLARK CLIFFORD, the U.S. presidential envoy seeking a solution to the Cyprus question, has received an unfavourable response in talks with Turkish Prime Minister Suleyman Demirel here to-day. Mr. Demirel is believed to have told Mr. Clifford that because he faces a critical general election this year, he cannot afford to make any concessions over Cyprus, well-informed sources quote Mr. Demirel as adding, however, that if he came back as Prime Minister he would give priority to resolving the Cyprus problem and settling Turkey's differences with Greece. He hoped that the strength of this assurance President Carter would ask the U.S. Congress to repeal the embargo on arms supplies to Turkey before the Turkish election. The election is scheduled for October but may be brought forward to June. Mr. Demirel's four-party coalition is strained to breaking point and there is growing public pressure for a poll as soon as possible. Mr. Demirel fears that any concession he may make in Cyprus could be exploited by his opponents. The Prime Minister's reaction should be no surprise to the U.S. as he raised the same point in a letter to Mr. Carter earlier this month, the sources said. The embargo which Congress imposed in 1975 as a reprisal against Turkey for the Cyprus war of 1974 has undermined Turkish-American defence relations. Turkey's reaction had been to suspend the activities of two dozen U.S. bases. Congress has made the embargo's repeal conditional upon progress towards settlement in Cyprus.

Concession

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Discussions

Mr. Clifford, who arrived from Athens yesterday, began his two-day negotiations with Turkish leaders this morning. On Wednesday he flies to Nicosia for talks with Turkish and Greek community leaders. Apart from a lengthy session with the Turkish Foreign Minister, Mr. Hasan Sabri Caglayangil, Mr. Clifford met Mr. Demirel privately for an hour and afterwards they had a working lunch. Looking pleased with the discussions, Mr. Clifford said: "I believe that we have had a very valuable and meaningful talk and that we have made excellent progress." Mr. Demirel's reaction was more cautious: "We have had a very sincere discussion," he said. "The embargo and the Cyprus question— which is the primary factor for matters reaching this state"— were also taken up, he said.

France's January trade deficit rises sharply to Frs.2.38bn.

BY ROBERT MAUTHNER

PARIS, Feb. 21.

THE FRENCH trade deficit rose sharply in January this year to Frs.2.38bn. (about £280m.), not yet had time to show any seasonal adjustment, from Frs.1.32bn. in December 1976 and Frs.920m. in January last year. But it was still lower than last November's exceptionally high shortfall of Frs.3.8bn. Imports rose to Frs.27.68bn. compared with Frs.25bn. in December and Frs.27.1bn. in January 1976, but exports also rose slightly to Frs.25.3bn. from Frs.24.7bn. in December and Frs.20bn. in January 1976. The crude figures were equally bad. On an unadjusted basis, the deficit was Frs.5bn. against Frs.2.17bn. in December and Frs.1.37bn. in January last year. The worsening of the trade balance was put down by M. Andre Rossi, the Minister for Foreign Trade, mainly to a big jump in energy imports—some Frs.4bn. in December— the result mainly of deliveries to French refineries of crude oil purchased in anticipation of the last OPEC oil price increase. The tonnage of imported oil was higher than in November's record, M. Rossi said. The effects of last summer's drought on the prices of some imported agricultural products were also pinpointed by the Minister as one of the causes of the large deficit. M. Rossi found some consolation, however, in comparing January's figures with those of last September, the month when Prime Minister Raymond Barre's economic stabilisation plan was introduced, but had those already in effect which provide favourable financing conditions for investments in export industries. At the same time, small and medium-sized businesses will be given a number of additional investment incentives as long as they give an undertaking that they will devote at least 5 per cent. of their turnover to exports.

D'Ornano's constituency

BY DAVID CURRY

PARIS, Feb. 21.

M. MICHEL D'ORNANO, the man backed by President Giscard d'Estaing and Prime Minister Raymond Barre to contest a highly marginal Socialist-held seat in the local elections next month. He has been hesitating for some time over his choice of constituency. This decision of the Gaullists, the strongest party in Paris, to refuse to present joint lists with the Independent Republicans in opposition to the left-wing coalition has made his position very difficult. M. D'Ornano has finally decided to contest the 18th Arrondissement. It is difficult to gauge how vulnerable he is making himself. At the last municipal election in 1971 the Left won the majority of the seats, after the intervention of a centrist list created off some 9,000 votes. However, at the subsequent general election the seat returned two conservative MPs, while President Giscard narrowly squeaked home there in the 1974 presidential election. M. Jacques Chirac—whose confidence Chirac Pour Paris posters are prominent on the bill-boards—cited these recent election results to indicate that little danger, but political formations more sympathetic with the Giscardians to which M. D'Ornano belongs have bailed his "courage." If M. D'Ornano were to be defeated in the first round, it would solve "at a stroke" the problem of the two leading components of the Government majority waging war

GISCARD TO RULE ON DEATH SENTENCE

Guillotine fever

BY DAVID CURRY

When Jerome Carrein was sentenced to death at Douai in January the public gallery in the courtroom gave a collective sigh and there was scattered applause. His lawyer, referring to his client's way of life, commented bitterly: "This case gives off a strong smell of alcohol, but this courtroom reeks of blood." Carrein's fate is now being considered by President Giscard d'Estaing who has the power to reprieve. A couple of weeks earlier a jury in a pecked and emotional courtroom in Troyes, universally expected to send Patrick Henry to the guillotine for child murder, stopped short at life imprisonment. On July 28, 1976, at dawn in a prison in Marseille, Christian Ranucci, 22 years old, kidnapper and murderer of an eight-year-old girl, was executed.

The retrial aroused nothing of the Henry furor. The emotional pressure on the court, overshadowed by the Troyes proceedings, was much less and the fearful publicity of Henry's recanting was missing. The jury found nothing to advise mercy. The three cases have inevitably raised questions about the fickleness of juries, the drama and emotionalism in court as a trial for a man's life, and about the theatricals which seem destined to accompany future murder trials. The President has declared for an examination of the possibility of imposing full life sentences— what he calls "a terrible and dissuasive punishment." He pointed out that the actual term served for life imprisonment was between 14-18 years and that the one reprieved murderer paroled in 1976 had served 19 years. The President of the Paris Bar Council, a couple of weeks ago, addressing President Giscard directly, also called for Carrein to the guillotine.

Intense emotion

The three cases, all involving the murder of children, have brought back to the surface the intense emotion felt over whether France should remain, along with Spain, the only Western European country to execute murderers. The story centres on child murder because President Giscard d'Estaing, by conviction an abolitionist, has specifically excepted kidnapping, the murder of children, and robbery and murder of old people. In practice, he has committed except where a child was murdered. Ranucci was the first man to die by the guillotine in the Giscard presidency. Patrick Henry escaped. Now Carrein depends on presidential reprieve. The jury found no extenuating circumstances, such as there had been in Henry's case. But it was over Henry that the guillotine fever reached its peak. This 23-year-old salesman, a netty dresser and born failure with the permanent elegance and the good life, kidnapped and demanded Frs.1m. (about £110,000) ransom for eight-year-old Philippe Bertrand, son of a local industrialist. The story could have been farcical. Henry allowed the boy's father to keep him on the phone for 15 minutes making the ransom demand while police identified the call-box. But premature action by the local police alerted him, and he was able to return to his hotel room. He strangled the boy the next day when the money did not turn up. He hid his crime in the headlines. Three Cabinet Ministers, including the Home Secretary and Justice Minister, publicly declared in favour of the death penalty. A petition in the town received 6,000 signatures in one day. Dubbed "the monster" by the Press, the rather round, totally impassive face of Henry looking blankly behind the thin frame of his spectacles and with his closely cropped hair, became one of the best-known images in France.

Hate mail

His life was dissected in public. His lawyers received a deluge of hate mail. Their lives and careers were recounted in the popular Press like those of film or sports stars. The Henry family made tearful pleas for their son, and as Henry broke his impassivity to appeal for forgiveness from the Bertrand family, M. Bertrand returned to the jury: "Your vote will be with you forever. One day the death penalty will be abolished. You will tell your children you condemned a man to death, and you will see the look in their eyes." When the jury returned it was to save Henry's life. They found extenuating circumstances enabling life imprisonment to be imposed. Within 48 hours a jury in Aix-en-Provence spared the life of a double-murderer. Le Monde

Dutch port unions to face court claim

By Michael Van Os

AMSTERDAM, Feb. 21.

A U.S. SHIPPING company has decided to take the Dutch transport unions and the country's largest port company to court in Rotterdam to-morrow because the American concern is unable to move its ship out of the port as a result of continuing strikes. The company Sealand, demanding \$60,000 for every day its ship has been blocked by the unions. The Smit transport company is also being sued because workers have refused to help move the ship. The shipping company had earlier failed in its efforts to move the ship out of Rotterdam under her own steam. Meanwhile, the strike spread further in the port of Rotterdam to-day and all containers and goods have been paralysed. Only the oil refining, trans-shipment and storage sector, and grain handling activities, have not so far been affected. In Holland's largest industry, the metal sector, the two sides were having discussions to-night on solving the impasse resulting from the employers' decision not to re-open open talks with the unions unless the strikes are suspended. Union rank and file have voted by a small majority to continue the strike until their demands for a 2 per cent. real income increase is met. The Dutch metal employers strongly criticised Ford today for offering its unions a new deal making the car assembly company the only one in the sector where a full agreement had been reached. A spokesman said the decision had been made to avoid a further deterioration of labour relations within the company. In the badly-hit building industry strikes also spread further to-day with no early agreement in sight. Overall, however, the number of strikes fell a few thousand to-day as stoppages were suspended at a number of major companies on the reopening of wage talks.

Oslo to licence new oil search

By William Dufforce

OSLO, Feb. 21.

THE NORWEGIAN Government will ask Parliament later this month to approve a four-year round of offshore exploration concessions in the North Sea. The blocks are expected to include some of the most promising remaining below the 62nd parallel, in particular those close to the Stafford field. Within the next two weeks the Ministry of Industry will also be offering for sale to oil companies seismic data from the area of the counties of Troms and Finnmark in which the fields north of the 62nd parallel will be allocated. The Government has provisionally indicated that drilling can start in the summer of 1978. Industry Minister Bjartnes indicated last week that new licences may contain clauses allowing the Government to delay development of a discovery even after it has been declared commercial. The clause is seen as a further instrument for controlling the pace of development on the Norwegian continental shelf.

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معلومات الاصل

AMERICAN NEWS

Carter talks may help Trudeau at home

Jurek Martin, U.S. Editor WASHINGTON, Feb. 21. Carter here today and to- row between President Carter and Mr. Pierre Trudeau, the Canadian Prime Minister, probably have inter- significance for Mr. Trudeau's standing in Canada...

U.S., U.K. in talks to plan southern Africa strategy

BY BRIDGET BLOOM, AFRICA CORRESPONDENT WASHINGTON, Feb. 21. MEETINGS designed to work out Anglo-American strategy in southern Africa in general and Rhodesia in particular began here this morning between senior U.S. and British officials...

Antigua ex-Premier arrested

Police arrested former Antiguan Premier George Walter and two of his former aides yesterday in a raid on their homes, UPI reports from St. Johns. The three men were held at police headquarters pending an expected announcement of formal charges against them...

THE FUTURE OF THE FALKLANDS

Rowlands fails to quiet islanders' sellout fears

BY ROBERT LINDLEY PORT STANLEY, Feb. 21. DESPITE the attempts made by Mr. Ted Rowlands, Minister of State at the Foreign Office, to reassure the Falkland islanders during his recent visit, there is a fairly general impression here that the British Government is going to "sell us out" to the Argentines...



Hideous

To the Falklanders, "political co-operation" with Argentina has hideous connotations. "The Argentinians can't govern themselves, and they want to govern us," said one fourth-generation islander...

Drought states angry over cuts

BY JAY PALMER NEW YORK, Feb. 21. SENIOR executives and officials of 15 states, including the Governors of 11 of them, are meeting today in Denver with President Carter's new Secretary of the Interior, Mr. Cecil Andrus, to try to co-ordinate federal and state policies on the drought afflicting the west of the U.S. The meeting got off to a bitter start...

Venezuela denounces CIA payments report

BY JOSEPH MANN CARACAS, Feb. 21. THE VENEZUELAN Government yesterday reacted sharply to a report that President Carlos Andres Perez had received payments from the Central Intelligence Agency (CIA), demanding "a complete clarification" on the issue from Washington. An article published last Saturday in the New York Times asserted that the Venezuelan President, along with other world leaders, had received cash he was Venezuela's Interior Minister during the early 1960s...

AMC-UAW contract

The tentative contract agreement between American Motors Corp. and the United Auto Workers (UAW) has been ratified and went into effect yesterday. UAW regional director Ray Marjura said, AP-DJ reports from Milwaukee. Union negotiators settled for a shorter contract than those negotiated with the U.S. car industry's "big three"...

Car sales pick up

The American car industry is confidently looking forward to a very good year and sales are already picking up after the setback of the worst winter for 200 years. Retailer reports from New York indicate that 1977 car sales are up around 11 to 11.25%...

N-crime safeguard

California state officials have prepared on their own initiative a special statewide emergency programme to educate and prepare citizens, towns and local communities for the possibility that terrorists might somehow obtain or use nuclear weapons...

Emigration

One Falklands businessman said: "Britain is in economic difficulties and needs to increase her exports to Argentina, and the price for that is us." He hopes violence can be avoided and is thinking of moving on to New Zealand as so many islanders have done in recent years...

Salvador army on guard before election results

SAN SALVADOR, Feb. 21. THOUSANDS of soldiers with automatic weapons stood guard here today as Salvadoreans awaited the result of the Presidential election held yesterday. The electoral commission said that first results, which had been expected last night and this morning, would not be ready until tomorrow...



Electricity isn't just a pretty face

A recent survey of industrialists voted electricity into first place among power sources for all the things that make industrial life more pleasant. Cleaner. Quieter. Lower pollution levels. And so on. From our point of view, that's just not good enough. Because the real strength of industrial electricity has far more to do with providing better products, at lower unit costs...

Advertisement for Labex 77 exhibition, featuring a large image of a car and text describing the show's features and location at the National Exhibition Centre, Birmingham.

Advertisement for Labex International exhibition, National Exhibition Centre, Birmingham, 7-11 March 1977, 10.00-18.00.

Advertisement for Bahamas sale, The Panama-based Intercontinental Diversified Corporation, parent company of the Grand Bahamas Port Authority...

WORLD TRADE NEWS

Italian oil deal aimed at boosting M. East exports

BY PAUL BETTS

THE ITALIAN Government and the Saudi Arabian oil company, ENI, are currently negotiating with the Saudi Arabian Government a contract for the supply of 5m. tons a year of Saudi Arabian crude for ENI.

Bulgarian trade disappoints

BY PAUL LENDVAI

BULGARIA'S disappointing trade performance last year is regarded by diplomatic observers as one of the possible reasons for the recent surprise replacement of Mr. Ivan Nedev, 58, Foreign Trade Minister since 1971 by his deputy Mr. Hristo Hristov, who became First Deputy Foreign Trade Minister only in July last year.

Sugar dominates Anglo-Cuban talks

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

THE SHARP drop in the spending power of the Cuban Government as a result of the fall in international sugar prices and its effects on Anglo-Cuban trade prospects will dominate the week's bilateral trade talks which opened in London yesterday.

Fears over future of Japanese shipyards

By Henry Scott Stokes

ALL Japanese shipyards might be "completely wiped out by 1985" according to Yasuo Takeyama, managing director of the Nihon Keizai financial newspaper, speaking here at the week-end.

Mr. Takeyama, whose newspaper is the foremost Japanese economic publication, was taking part in a seminar held in Paris in association with Le Monde.

His view that all Japanese shipbuilding yards might go out of business by the mid-1980s was presumably aimed at offering some consolation to European shipbuilders and similar anxieties about their own companies.

BAA wins Kuwait deal

By Anthony McDermott

THE BRITISH Airports Authority signed over the week-end a three-year contract worth £1m. a year for the management of Kuwait International Airport.

The contract was won after two years of negotiations and against competition during that period from U.S., French, Canadian and Dutch companies, as well as the British engineering consultants, W. S. Atkins.

The enigma of transferable roubles

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE SOVIET plan to encourage international use of the "transferable rouble"—the East bloc's closest thing to a convertible currency—has sent ripples through Western banking circles. Was the announcement, made last autumn, the first crack in the impermeable barrier between the currency systems of East and West? Was it even, as one leading banker claimed, the most important news for currencies since Bretton Woods?

HOW THE TR WOULD WORK — and a few questions

Smith and Co, a western engineering company, was an expert order from the Soviet Union and its paid in Transferable Roubles. These roubles are held by the Comcon bank in Moscow in an interest-bearing account and can be used by the company to buy goods and materials in any Comcon country.

to make full use of their TR balances. The new rules raise the far-reaching question whether the use of TRs by western countries could lead to the emergence of a discounting market.

Montedison to use new plastics technology

BY RHYS DAVID, CHEMICALS CORRESPONDENT

MONTEDISON, the Italian chemicals producer, is claiming that it will soon be able to put into commercial production a new low-cost technology for producing polypropylene, one of the fastest-growing plastics polymer.

Russia and India sign oil pact

INDIA and Russia signed an agreement in Moscow over the week-end for the barter of 1m. tonnes of Soviet crude for Indian goods of the same value.

New Cairo hotel

The Motor-Columbus subsidiary Mobag Generalunternehmung has won a contract worth Sw.Frs.150m. to build the new Ramesseis Hilton Hotel in Cairo.

Xerox order

Rank Xerox's Eastern Europe operations division has signed a \$5.5m. contract to supply copying and duplicating machinery to the Soviet buying agency Technopromimport.

Fiat deal

Fiat's construction equipment manufacturing company, Fiat-Allis, has signed a long-term contract with Universal Tractor and Centrale Industriale Trattori e Macchine di Romania.

Advertisement for Beneficial Finance International Corporation, featuring 50,000,000 Canadian Dollars and 9% Notes Due February 15, 1984. Lists various international banks and financial institutions.

Advertisement for Burlington Overseas Capital N.V. featuring a notice of redemption and a detailed table of debenture serial numbers and amounts.

OVERSEAS NEWS

Arabs tell chance that PLO line will soften

DAMASCUS, Feb. 21. CYRUS VANCE, the U.S. Secretary of State, ended his five-day East-West tour...

Leadership fight will open Israel Labour convention

BY OUR OWN CORRESPONDENT

TEL AVIV, Feb. 21.

THE CONVENTION of Israel's ruling Labour Party opens tomorrow, three months before general elections...

Bank of Israel before his arrest, late last year. Mr. Yadin, who pleaded guilty to some counts of accepting bribes...

Tanaka trial to resume to-day

Former Japanese Prime Minister Kakuei Tanaka was due to make a second appearance in court here to-day on charges of receiving a \$1.6m. bribe...

Christians disappearing in Amin purge, says Bishop

BY MARTIN DICKSON

THE UGANDA Government has begun a purge of prominent Christians following the killing of the Most Rev. Janani Lumum, the Anglican Archbishop of Uganda...

Coggan accused of coup plot

BY JOHN WORRAL

NAIROBI, Feb. 21.

PRESIDENT AMIN of Uganda sent a telegram to-day to the Organisation of African Unity accusing Dr. Donald Coggan, the Archbishop of Canterbury...

Fighting resumes in S. Lebanon

BY IHSAN HIJAZI

BEIRUT, Feb. 21.

THE situation in southern Lebanon has taken a turn for the worse with fierce fighting between right-wing militiamen on the one hand and left-wingers and Palestinian commandos on the other...

The new tension has complicated matters for the Government here by making the issue of south Lebanon more urgent than it already was. Strong Israeli objections had kept the Syrian-dominated Arab peace-keeping force out of the region...

New Zealand reaction

An announcement that New Zealand will accept as immigrants some former detainees from Northern Ireland met mixed reception here yesterday...

Thai economic plan

Mr. Tamin Kraivichien, the Prime Minister of Thailand, has announced a three-year economic development programme, to focus on improvements in irrigation, roads, communications, and the expansion of co-operatives in rural areas...

Saudi oil short fall

Saudi Arabia's daily crude oil production in January fell a million barrels a day below the level projected after the Saudi Government lifted its ceiling of 8.5 b.d. because of bad weather at the Ras Tanura export terminal...

ON OTHER PAGES

International Company News: Massey Ferguson in Brazil. Kenya road results. UN buffer stock talks. NZ Meat Board to buy into U.K.

IRAN'S BUDGET

Playing it safe

BY ROBERT GRAHAM IN TEHRAN

BIG surprise in Iran's budget announced today is not so much the defence cutback as the very tentative approach to the inflation that can be expected this year...

will put more emphasis on improved tax collection, together with a sharp increase in domestic and foreign borrowing. No new taxes or income will be included—presumably a politically-motivated decision, as new taxes would be very unpopular...

so figures for the general Government budget reflect activity more accurately. The general budget is the Government's determination to accelerate fixed capital investments from \$8.9bn. to \$13.9bn. while at the same time holding down current expenditure to a small 5 per cent. increase...

Table with 3 columns: 1975-76, 1976-77, 1977-78. Rows include General Budget, Taxes, Oil/gas, Domestic loans, Foreign loans, Special revenue, Total State Receipts, Total expenditure, Gross deficit.

an exceptionally cautious of lifetimes over the whole of the next fiscal year through to 1978. They are preparing for the worst, while at the same time allowing sufficient room to raise expenditure should sales improve...

Continental Bank of Chicago tailors its services to meet your requirements.

Continental Bank is in the United Kingdom for many reasons. One of them is to provide your business with a financial source prepared to adapt itself to your present and future needs, short and medium term.

APPOINTMENTS

ERI Specialists in recruitment for the Middle East

Chief Executive Insurance Saudi Arabia c £20,000 p.a. (tax free)

The Company is a newly formed joint venture between a leading firm of British insurance brokers and a prominent Saudi Arabian group...

The job is to develop and manage a profitable insurance broking/agency business, based largely on non-marine, cargo and contractors' all risks insurance.

Candidates should be experienced, resourceful, profit orientated executives with a strong background in both insurance underwriting and broking...

Conditions of service are excellent and include a furnished house, car, life cover and an excellent pension scheme...

For further details of this position, please apply to ERI...

HOME NEWS

British Rail may alter its accounting

BY IAN HARGREAVES, INDUSTRIAL STAFF

THE BRITISH RAIL Board is making firm efforts to change its method of accounting and the arrangements by which it receives financial support...

These changes could, if accepted by the Government, lead to British Rail breaking down its costs and performance by sectors...

At present, British Rail receives support for its passenger infrastructure costs directly from Government...

Mrs. Thatcher pays visit to Ulster

BY OUR OWN CORRESPONDENT

MRS. THATCHER, the Conservative leader, paid a surprise one-day visit to Ulster yesterday...

She was surrounded by a tight cordon during a walk through the shopping centre of Belfast...

After the meeting Mrs Thatcher and her entourage were taken to a restaurant...

£1.5m. expansion by Robert Morton

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

ROBERT MORTON DG, the brewing equipment manufacturer, is to spend £1.5m. on an expansion programme...

The original Robert Morton concern went into liquidation in 1968 but was revived as part of the engineering division of Lindemans...

Heading the list in value, terms is an order worth over £100m. from Guinness Overseas...

It will cost more to land in London

BY RAY PERMAN, SCOTTISH CORRESPONDENT

HOWARD DORIS, who is building the Ninian central platform at Loch Kishorn...

Mr. Albert Granville, managing director, was answering a statement at the week-end from Mr. R. J. Sweeney...

The charge levied on each international passenger will go up from 21 to 22.5p...

Dewar gives up tennis, blames Excise duty

BY JOHN BARRETT

BRITAIN has lost another major tennis sponsor with yesterday's announcement that the Dewar Cup...

Mr. John Dewar, who has personally guided the event from its inception in 1968...

Ninian central platform 'should be on time'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

HOWARD DORIS, who is building the Ninian central platform at Loch Kishorn...

Mr. Albert Granville, managing director, was answering a statement at the week-end from Mr. R. J. Sweeney...

Cornish slate quarry's future in the balance

BY PAUL CHEESEBRIGHT

THE FUTURE of a Cornish quarry which dates from the days of Elizabeth I is in the balance...

The Cornwall slate is a subsidiary of Old Delabole Slate, which went into receivership at the beginning of the year...

More Fife jobs likely

BY RAY PERMAN, SCOTTISH CORRESPONDENT

GEC WORKERS in Fife who have been facing an uncertain future were told yesterday that the workforce spread between the Kirkcaldy and Glenrothes factories...

Regional aid plea for North-East

BY RAY PERMAN, SCOTTISH CORRESPONDENT

UNEMPLOYMENT in the North-East is likely to increase considerably unless the Government's regional aid programme...

Sandilands proposals 'of little relevance' to life groups

BY ERIC SHORT

CURRENT COST Accounting with little relevance to life assurance accounting, Mr. W. Lundy at a meeting held last night...

Mr. Lundy said there were two main differences in the operation of life assurance companies from other companies which influenced the method of preparing accounts...

MANAGING DIRECTOR ENGLAND: £12,000 WOOD PRESERVATION For a medium sized company (subsidiary of a large group) operating nationally from a Northern head office which will move South as the company expands.

UNIVERSITY APPOINTMENTS THE UNIVERSITY OF THE SOUTH PACIFIC - Fiji... NOTICE IS HEREBY GIVEN that a Position for the Wind-Up of the above-named Company by the High Court of Justice was on the 14th day of February 1977...

PENSION FUND INVESTMENT Stockbrokers invite applications for a Senior Post in their Pension Fund Department, involving the preparation and presentation of investment reports to clients and responsibility for implementing investment policy.

White, Weld & Co. Incorporated American Investment Bankers REQUIRE ASSISTANT DEALER EQUITY INSTITUTIONAL DESK EXCELLENT WORKING CONDITIONS

PLANT AND MACHINERY CHOICE OF 60 USED FORK LIFT TRUCKS... LEGAL NOTICE No. 8025 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court...

PERSONAL PETER W. YARWOOD Mrs. Beryl Yarwood wishes to thank all friends and business associates for their thoughtfulness and kindness following the tragic death of her husband, Peter...

LEGAL NOTICE No. 8025 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court...

LEGAL NOTICE No. 8025 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court...

LEGAL NOTICE No. 8025 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court...

LEGAL NOTICE No. 8025 of 1977 IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court...

Family survey change 'costly' ANY LARGE changes in the General Household Survey to make it comparable with the Family Expenditure Survey...

SNOW REPORTS Depth State of Weather... 25 cm new snow after dawn.

John Player cuts coupons JOHN PLAYER announced a non-coupon version of its No. 6 filter cigarettes yesterday... TYNNE'S cargo trade showed a good recovery in 1976, and the port back into profit after two years of heavy losses.

Ward Foods Overseas Capital Corporation N.V. 5 1/2% Subordinated Guaranteed Debentures due 1988 (Guaranteed on a subordinated basis by and convertible after June 1, 1965, into Common Stock of Ward Foods Inc.)

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HOME NEWS

# Retailers seek single-rate VAT in Budget

OUR CONSUMER AFFAIRS CORRESPONDENT

CHANCELLOR was urged to introduce a single rate of Value Added Tax in the Budget. The Retail Consortium, representing the majority of British retailers, and the Food and Television Retailers Association, representing the majority of British television retailers, asked Mr. Denis Healey to consider abolishing the multi-rate system of VAT to minimise the administrative burden on shopkeepers and to facilitate planning for the future.

In this situation, the Chancellor should adopt a single charging rate of VAT in addition to the present zero rate on food "at whatever level deemed necessary."

The Radio Electrical and Television Retailers' Association went a step further than the consortium in its pre-Budget representations. The association, whose members sell virtually nothing but goods carrying "luxury" rate of 12½ per cent. VAT, urged Mr. Healey to give "sympathetic consideration" to their views by avoiding any increase in the 12½ per cent. rate and by announcing the early reintroduction of a single rate system of VAT.

## Land tax

Turning to the broader question of other forms of taxation, the Retail Consortium also repeated its request for the extension of capital allowances on new investment to retail premises.

At the same time, it urged the Chancellor to give distributors the same concessions as manufacturers are allowed when deferring liability to pay development land tax on new developments and VAT rates.

CEB's demands for a reduction in direct taxation. The present high rates, it argued, were a disincentive to efficiency and productivity and VAT rates had a particularly heavy burden on small businesses and managers and skilled workers, upon whom the country depended for its future prosperity.



A 10 PER CENT. improvement in fuel economy, a new steering system, and split-level air conditioning are among the modifications announced to-day in the 1½-year-old Rolls-Royce Silver Shadow.

The Shadow has already become the best-selling car the company has ever made, accounting for 20,000 of the 70,000 cars produced by Rolls-Royce since 1964. The new Series II, priced at £22,500, and emerging with 1,600 modifications, means that the company foresees a few more years' life yet for this particular shape, which has not undergone any significant alteration. Rolls-Royce anticipates continued growth for the product at about 7 per cent. a year.

The new steering system is by rack and pinion, adopted for several years by many producers of volume cars, but only now accepted by Rolls.

There is also a new front suspension system which is aimed at reducing body roll and noise, while maintaining the front wheels in a more upright position on cornering to lengthen tyre life.

In addition, a dual exhaust system with six stainless steel silencers is claimed to have reduced power loss. Rolls-Royce says that it achieved an overall fuel consumption of 13.6 mpg on a recent 1,500-mile journey with a fleet of the vehicles to Spain.

# Six Chapman and Rowe men sent for trial, two cleared

FINANCIAL TIMES REPORTER

SIX PRINCIPALS of the stock-broking firm of Chapman and Rowe will face trial at the Old Bailey later this year on charges of fraud and other offences. The firm was "hammered" on the Stock Exchange in 1974 with an estimated deficiency of £1.4m. Two other prominent City men who were partners in the firm, Mr. Herbert Neville Woolmer, 71, of Worpleston, Surrey, and Mr. Michael Charles Waller, 42, of East Preston, Sussex, were cleared of all charges against them when their committal proceedings ended yesterday.

Both said afterwards they were very relieved that the case was over as far as they were concerned. The six men sent for trial from Rowe's balance sheet in September 1974, and eight charges of stealing shares from clients, the Crown.

Edward Miller, 36, of Wimbledon, Mr. Victor Thomas Andrews, 32, belonging to the Moscow Narodny Bank, Mr. John Maxwell Gordon, 37, of St. Mary Bourne, near Andover, Hampshire, Mr. Ralph Clarke, 48, of South Kensington, London, and Mr. Alan Hartman, 33, of Putney, London, and the firm's former managing clerk, Mr. John thorne, Sussex.

They face one charge of contravention of Section 21 of the Exchange Control Act 1947 over foreign currency.

He said later that, on the court register, the men had also been charged with another offence under Section 2(1) of the Act.

This alleged that on or about January 3, 1974, in the City of London, being entitled to sell or procure the sale of £41,227 in foreign currency, and not being authorised dealers, without the consent of the Treasury, they failed to offer the currency, or cause it to be offered, for sale to an authorised dealer at the current market rate in the official foreign exchange market.

Mr. Altman was granted bail in his own recognisance of £25,000 and three sureties of £10,000 each, and Mr. Carnes of £10,000 and two sureties of £10,000 each, was granted to Mr. Carnes.

# Stockbrokers remanded on bail

FINANCIAL TIMES REPORTER

BAIL TOTALLING £105,000 was granted at Guildhall Court, London, yesterday, when two City stockbrokers, Mr. Lewis Altman and Mr. Robert Carnes, were remanded until March 30 on a Treasury plot charge.

They were also accused of contravening the exchange control regulations over the disposal of £41,227 on January 3, 1974.

The men, who were arrested on Saturday, were granted bail on condition that they report daily to the police and surrender their passports. Reporting restrictions were not lifted.

Mr. Altman, 57, and Mr. Carnes, 51, are directors of Lewis Altman and Co., which was suspended from trading by the Stock Exchange council in April last year.

Det. Insp. John Todd, of the City of London police, asked for a remand until March 30. A Treasury official was in court.

The magistrates' clerk told both men that they were charged with conspiring in the City of London and elsewhere between October 1974, and October 1975, together with other persons, to contravene Section 21 of the Exchange Control Act 1947 over foreign currency.

# Scots study violence

MR. TEDDY TAYLOR, Shadow Scottish Secretary, today named seven people to serve on a committee he has set up to study the "worrying, depressing and alarming" increase in violent crime in Scotland.

There have been 18 violent deaths this year in the Strathclyde region alone.

The seven are Mr. Jimmy Anderson, former police officer in Glasgow; Mr. David Hutchins, a retired chief superintendent from Strathclyde; Mr. Paul Burns, lawyer; Mr. William Dalziel, businessman, parole Board member and deputy-chairman of the Scottish Conservative Party; Mr. Duncan McKenzie, former governor of Barlinnie prison; Mrs. Frena Davidson, magistrate from Dunblae, Perthshire; and Mr. Nigel Law, co-ordinator of the social work committee. They will suggest remedies to the Conservative Party.

# Shell Oil starts selling car parts to motorists

RAY DAFTER, ENERGY CORRESPONDENT

U.K. OIL is entering the most comprehensive market research of its type ever undertaken by the group in the U.K. Designed especially for the do-it-yourself market, the service will carry a guarantee described by Shell as unique. The parts will be replaced if they become faulty within a year through manufacturing defect. The garage labour costs will also be met.

Shell will pay to repair or replace any other part in a car damaged as a result of a Superpart installation was done by a Shell garage.

# Sports advertising could lead to bribes-BBC

BBC has set out some objections to advertising at sporting events—such as the ability of cameramen being asked to dwell on particular signs.

It also speaks of "little men creep in with placards on poles and put them down at epic points just before the off."

The warnings—and justifications—of BBC policy—come in a statement from Sir Giles Curran, the director-general.

He said: "Our objection to advertising appearing on the screen at sports venues is that it raises in the public mind either a doubt about our integrity or a doubt about the integrity and desirability of the licence fee which sustains our independence politically and editorially."

The Independent Broadcasting Authority had an equally firm reason for objecting to indiscriminate venue advertising, and might indeed face even greater difficulties as sponsor-lays down that "advertisements must be clearly distinguishable as such and recognisably separate from the rest of the programme."

# ZAMBIA COPPER INVESTMENTS LIMITED (ZCI)

(Incorporated in Bermuda)  
REPORT FOR THE HALF-YEAR ENDED 31ST DECEMBER, 1976  
(Covering mining company operations for quarter ended 30th September, 1976)

ESTIMATED CONSOLIDATED RESULTS OF ZCI FOR THE SIX MONTHS ENDED 31ST DECEMBER 1976

	Six months ended 31.12.76	Six months ended 31.12.75	Year ended 30.9.76
	Remittable U.S.\$	Non-remittable U.S.\$	U.S.\$ 000's
<b>Dividend income:</b>			
Nchanga Consolidated Copper Mines Limited (NCCM)	—	—	—
Roan Consolidated Mines Limited (RCM)	—	—	—
Other	2	2	8
<b>Interest income and other revenue, less provision</b>	633	716	1,249
	633	718	1,257
<b>Deduct:</b>			
Administration expenses	374	—	374
Interest payable	34	—	34
Loss arising on dividends remittable from Zambia due to Kwacha devaluation (previous period: loss arising from currency fluctuations)	2,492	—	2,492
Costs of prospecting	—	2	2
	2,900	2	2,902
<b>Loss (profit) before taxation:</b>	2,267	(716)	1,551
	7	130	137
<b>Loss (profit) for six months</b>	2,274	(586)	1,688
Surplus on redemption of loans	169	—	169
<b>Loss (profit) after extraordinary item</b>	2,105	(586)	(1,519)
<b>Less:</b>			
Transfer from (to) reserves:			
Currency reserve	—	—	503
Capital reserve	(169)	(586)	(755)
	(169)	(586)	(755)
<b>Unappropriated profit brought forward</b>	20,659	20,317	20,317
Over provision for foreign taxation in prior years	—	—	157
<b>Unappropriated profit</b>	18,385	20,503	20,659
<b>Dividend</b>	—	—	—
<b>Unappropriated profit carried forward</b>	18,385	20,503	20,659

Note: The results for the current year have been altered to indicate clearly what proportion of income is available for distribution, and what proportion, mainly because of exchange control regulations in force in the country of source, is not available for distribution ("non-remittable income"). The net non-remittable income is transferred to capital reserve.

ZCI has a 49 per cent. interest in NCCM and a 12.26 per cent. interest in RCM. The estimated results of NCCM and RCM for the quarter ended 30th September, 1976 are as follows:

	Quarter ended 30th September 1976	Six months ended 30th September 1976
<b>NCCM</b>		
Production (metric tons)	121,492	215,064
Lead and zinc*	9,426	22,974
Sales (metric tons)	96,736	201,518
Lead and zinc*	15,246	39,180
Average copper proceeds (per metric ton)	£1,301	£1,095
Sales revenue—all metals	£140,500,000	£249,600,000
Net profit after taxation	£10,200,000	£15,200,000
Ordinary dividends	—	—
* Broken Hill division		
<b>RCM</b>		Quarter ended 30th September 1976
Finished copper produced (metric tons)	—	67,374
Copper sales (metric tons)	—	69,130
Average proceeds (per metric ton)	—	£1,204
Sales revenue—all metals	—	£86,000,000
Net profit after taxation	—	£23,599,000
Dividends	—	—

**DIRECTORATE**  
Mr. F. S. Berning has resigned as a director and Mr. B. W. Pain has been appointed in his stead. Mr. Pain was previously an alternate director of the company.

By order of the Board  
Z. J. de Beer, Directors  
G. W. H. Reilly, Directors

**U.K. Registrars:**  
Charter Consolidated Limited,  
P.O. Box 102,  
Charter House, Park Street,  
Ashford, Kent, TN24 5EQ

**South African Registrars:**  
Consolidated Share Registrars Limited,  
62, Marshall Street,  
Johannesburg 2001,  
(P.O. Box 61051, Marshalltown 2107),  
Transvaal, South Africa.

**Registered Office:**  
Belvedere Building,  
Pitts Bay Road,  
Pembroke,  
Bermuda.  
(P.O. Box 650 Hamilton St.)

Pembroke, Bermuda  
21st February, 1977.

# How offices and service industries can qualify for substantial government grants

Substantial financial aid for offices and service industries is available to encourage the growth of employment in the Areas for Expansion.

New projects set up in these Areas can qualify for grants, in addition to moves by existing businesses into these Areas.

Details of the incentives are fully set out in a leaflet. To find out more about how they could apply to your company, send the coupon now, or telephone 01-211 6486 (24-hour answer service on 01-834 2026).

**What are the grants?**

A grant of £1,500 for each employee who is moved with his work to the Areas for Expansion (up to a total of half the jobs created in the Areas).

A grant of up to £1,500 for each new job created in many Areas.

Rent-free office accommodation for up to 7 years.

Removal Grants.

**Help towards capital expenditure other than on accommodation.**

**Who can benefit?**

Offices, including insurance, banking, finance and other professional and scientific services.

Research and Development Units.

All Service Industry undertakings not serving primarily local needs.

## Send for this leaflet now

To: The Industrial Expansion Team, Department of Industry, Millbank Tower, Millbank, London SW1P 4QU.

Please send me a copy of your leaflet 'Offices and Service Industries'.

Name \_\_\_\_\_

Position in Company \_\_\_\_\_

Company \_\_\_\_\_

Nature of Business \_\_\_\_\_

Address \_\_\_\_\_

**The Areas for Expansion**  
FT22/25



APPOINTMENTS

Senior changes at Mercantile Credit

Mr. A. J. Adams, managing director and Mr. T. D. Ryan, financial director, are to resign...

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 a.m. ON WEDNESDAY, 24th FEBRUARY 1977 AND WILL BE CLOSED ON THE SAME DAY

CORPORATION OF LONDON 13 1/2 per cent STOCK, 1983

SUE OF £25,000,000 AT £98.50 PER CENT

Application to the provision of the London Stock Exchange Act 1976...

PAYABLE AS FOLLOWS

application £10.00 per cent Tuesday, 22nd March 1977 £40.00 per cent Tuesday, 19th July 1977 £48.50 per cent £98.50 per cent

Interest payable half-yearly on 15th May and 15th November...

Application of London has by Resolution dated 19th March 1976...

Application of London has by Resolution dated 19th March 1976...

Application of London has by Resolution dated 19th March 1976...

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Application of London has by Resolution dated 19th March 1976...

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Goldring LIMITED

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LABOUR NEWS

Bakers' strike goes ahead

BY DAVID CHURCHILL, LABOUR STAFF

THE STRIKE by Britain's 34,000 bakers from next Sunday night is to go ahead as planned, union leaders said last night after a meeting in London. The Bakers' Union action is in support of an equal-pay claim for over £5 a week by some 6,000 women workers.

As RHM, Spillers, and Allied Bakeries together produce about three-quarters of all bread sold, a strike would lead to shortages. Two of the worst-hit counties will be Devon and Cornwall where RHM, which makes Hovis and Mothers Pride, and Spillers French, which makes Homepride, have big sales.

Staff cuts 'will hit security benefits'

By Our Labour Staff

MANPOWER CUTS in the Department of Health and Social Security could lead to reduced supplementary benefits being paid for dependent children, the Society of Civil and Public Servants claimed yesterday.

The Society bitterly attacked the Government for trying to introduce the cuts in a "surreptitious" manner after promising there would be no reduction in social security benefits.

In order to reduce staff by 50 per cent of total manpower cuts of 5,000 the Department is proposing to simplify the scale of rates for dependent children from the present five age bands to three or one. While the total amount of benefits paid will not change, smaller benefits will be paid for younger dependent children than at present.

Mr. Chris Eastaugh, the union's assistant secretary, said last night that the thinking behind the proposal was "distorted and deplorable. The attempt to conceal the cut in an uprating exercise is a hypocritical and deceitful expedient."

The Department said that the proposals were still being studied. The union also launched a strong attack on the vacillation of the Department in its various ways of achieving its manpower cuts. It pointed out that the Department had advanced and altered three sets of proposals in the past year for achieving the reductions.

Mr. Chris Eastaugh, the union's assistant secretary, said last night that the thinking behind the proposal was "distorted and deplorable. The attempt to conceal the cut in an uprating exercise is a hypocritical and deceitful expedient."

Post unions seek TUC aid for boycott ruling appeal

BY CHRISTIAN TYLER, LABOUR STAFF

THE TUC general council will be asked to-morrow to give support and money to the Post Office unions which want to appeal to the House of Lords over the recent Appeal Court judgments on the South Africa boycott case.

General's role in "sieving" legal action by private citizens — a question on which Mr Sam Silkin, the Attorney-General, has already said he is to appeal — it felt that a redefinition of his prerogative could be relevant to unions in the future.

Journalists vote to continue strike

BY OUR LABOUR STAFF

JOURNALISTS on the Northampton Evening Telegraph and two other East Midlands Allied Press news papers in the Kettering area voted yesterday to continue a 12-week-long strike.

Graphical Association at the Evening Telegraph are refusing to handle work by the nine, and the paper continues to be produced by the editor, Mr. Ron Hunt, alone.

ASTMS steps up fight for tiles plant foremen

BY PETER CARTWRIGHT, MIDLANDS STAFF

THE ASSOCIATION of Scientific, Technical and Managerial Staffs is stepping up its fight to win pensions and improved pay for managers and other staff at H. and R. Johnson-Richards Tiles by calling out key shift foremen yesterday at the Campbells Tiles subsidiary.

worked overtime on Saturday and Sundays were paid only £10 each to bring their gross pay to £75, while two shift workers they were supervising each received £80 gross.

Unwritten agreements valid

RECOGNITION AGREEMENTS

recognised by Charles Ingram, a clothing company, and therefore was not entitled to seek "protective" pay awards for union members made redundant.

Mr. Justice Phillips, president of the appeal tribunal, said that in the absence of a written agreement it was sufficient that the facts clearly gave rise to an inference that the employers had recognised the union.

Short time at concrete plant

ABOUT 170 workers in the concrete plant at the Stanton

British Steel Corporation said the short-time working was due to the Government halting Derbyshire, are to go on a four-for-six months the Water Board scheme, and the slowdown in the building industry in general.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Further to the announcement dated 19th January 1977, the directors of Anglo American Corporation of South Africa Limited ("AAC") and Rand Selection Corporation Limited ("RSC") announce that agreement in principle has been reached on a merger of the two companies.

London Office: 40 Holborn Viaduct, EC1P 1AJ

Anglo American Corporation of South Africa, Limited

Provisional Annual Financial Statement for the Year Ended 31st December, 1976

The following are the unaudited results of the Corporation and its subsidiaries for the year ended 31st December 1976, together with comparative figures for the year ended 31st December 1975.

Table with columns for 1975, 1976, and Income Statement/Balance Sheet items. Includes sections for Anglo American Corporation of South Africa Limited, Anglo American Group Consolidated, Income Statement, and Balance Sheet.

NOTES: 1. Group equity earnings per share Dividends per share Net asset value per share... 2. Extraordinary item—provision against investment in Zaire.

FINAL DIVIDEND A final dividend of 25 cents per share (1975: 25 cents) for the year ended 31st December, 1976 has been declared payable to shareholders registered in the books of the Corporation at the close of business on 11th March, 1977.

Aerospace industry unrest

THE NATIONAL Aerospace Shop Stewards Liaison Committee, representing staff and manual union shop stewards in the aerospace industry, is calling for a demonstration of all aerospace workers on March 15.

Bank union plan

The Barclays Bank Staff Association wants the National Union of Bank Employees to embrace all banking unions while still allowing individual unions freedom of action.

Under attack

Mr. Jack Jones, Transport and General Workers' Union general secretary, says the National Health Service is under attack from those who want to destroy its "free and comprehensive" nature.

Drought area now drenched

THE WEST COUNTRY was the only area where sandpiper were used during last summer's drought, but it now has more water than it can handle.

U.K. oilmen worst paid in North Sea

BY OUR LABOUR STAFF

BRITISH OFFSHORE workers are the worst paid in the North Sea according to a survey of working conditions. The survey reports that the British workers have fewer benefits than workers on foreign controlled rigs and platforms.

Foundrymen consider break with engineers

BY OUR LABOUR STAFF

DEMANDS for the withdrawal of the foundry section from the amalgamated Union of Engineering Workers will be made at the section's annual conference in Bridlington in April.

Verging on union

Thirteen indoor staff at York Minster, including six vergers, have joined the Transport and General Workers' Union.

Vertical text on the right edge of the page, including 'American product' and 'MINI CC REPORT FI'.

## American airlines have much higher productivity

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

IRLINES in North America have far higher productivity than their European counterparts, according to a survey by McKinsey & Co. The survey, which covers all major categories, especially passenger handling, maintenance, sales and ticketing, shows that American airlines are more productive than European airlines in most areas. McKinsey, international management consultants with the co-operation of ten major airlines, including United, Trans World, Eastern, KLM of Holland, Swissair and Qantas of Australia, conducted a new survey of airline productivity, identifying cost-reduction opportunities and setting priorities for specific profit improvement projects. Among the major conclusions of the survey—which is being circulated to the airline industry but is not being made public in detail—is that European airlines as a group have relatively more supervisory personnel, and higher staffing levels in nearly all functions.

In view of the world recession, slower growth in revenues, a huge fuel cost increase that we only partly offset by increased fares. Findings ways to prove personnel cost management has become a major concern to many airlines wishing to retain a competitive edge in the world markets," says McKinsey. Pointing out that personnel costs are outweighed by lower out-

### Airport traffic up by 9p.c.

A TOTAL of 23m. passengers used Teesside Airport last year, an increase of 9 per cent. on the previous 12 months. The biggest increase was in the services to Heathrow which carried 131,000 passengers.

## Subsidies 'have hit shipping'

By Kevin Done, Industrial Staff

TRANSPORT SUBSIDIES should be eliminated where possible, according to the British Motor and Shipping Ship Owners Association. Mr. F. Everard, the association's chairman, said yesterday that coastal and short sea shipping had become accustomed to having to battle against preferential treatment for competitors. Unfortunately, subsidies to other forms of transport had "sapped the ability" of shipowners to maintain, let alone increase, the size of their fleets. Railway subsidies had damaged coastal shipping, but there was no evidence that this cushioning effect had benefited the community, said Mr. Everard. Looking to the publication of the Transport White Paper in May, he emphasised that the Government's earlier consultative document on transport had acknowledged the efficiency of seaborne transport both in energy terms and because of its low resource cost, whereas British Rail's freight service continued to incur substantial losses despite heavy financial assistance.

## SIEMENS

# Information for Siemens Shareholders

### Sales continue firm

Although worldwide sales for the first quarter of our current financial year (from 1st October to 31st December 1976), achieved only modest 6% gains over the same period last year, a number of major contracts, concluded primarily with customers abroad, brought orders received to £1,650 million. This compares with £1,260 million a year ago. These contracts include a £100 million order from Nigeria for telephone switching centres, exchanges, and cable networks, and a £25 million order from Libya for local and STD telephone exchanges. Since it takes several years to execute major orders, it will be some time before they begin to influence plant capacity utilization. Total export orders increased to £550 million from £310 million a year ago. First quarter orders from the Federal Republic of Germany reached £730 million, exceeding by 11% the £640 million recorded last year. Despite a favourable first quarter, we anticipate only a slight gain in orders for the total 1976/77 financial year. Worldwide sales during the first three months of the current financial year reached £1,360 million, a 6% increase over last year's figure of £1,190 million. With an 8%

increase to £710 million (last year, £650 million), domestic business contributed somewhat more to this rise than did international business, which advanced 4% to £650 million (last year, £540 million). When figures are adjusted for cost-conditioned price trends, the real increase in total sales remains small. Comparable figures for the number of employees again showed a first quarter decline, falling 1.6% to 299,000. However, this tendency should moderate during the course of the 1976/77 financial year, provided that order receipts and sales continue to develop in line with expectations. First quarter employment costs were 6% higher this year than last, totalling £620 million as compared with £560 million. At £49 million, capital outlays for fixed assets during the first three months of the current financial year reached last year's first quarter levels. The preceding year saw an outlay of £23 million for the acquisition of further OSRAM shares, and £20 million for an increase in the capital of Kraftwerk Union AG. Rising costs had an adverse effect on earnings; as a result, the net margin receded from 2.8% last year to 2.5%.

	1st Quarter 75/76	1st Quarter 76/77	Comparable Change*
Orders received (in millions of £)			
Domestic operations less export orders	950	1,280	+ 29%
Domestic business	640	730	+ 11%
International business	620	920	+ 32%
	1,260	1,650	+ 22%
Sales (in millions of £)			
Domestic operations less export orders	910	1,040	+ 8%
Domestic business	650	710	+ 8%
International business	540	650	+ 4%
	1,190	1,360	+ 6%

	30/9/76	31/12/76	Comparable Change*
Order backlog (in millions of £)	4,390	4,780	+ 7%
Employees (in thousands)			
Domestic operations	208	203	- 2%
International operations	96	96	± 0%
	304	299	- 2%
Employment costs (in millions of £)			
Capital expenditures and investments (in millions of £)	93	49	- 36%
Inventories (31st Dec.)			
In % of sales	35%	35%	
Net income (in millions of £)	34	34	+ 1%
In % of sales	2.8%	2.5%	

\* Owing to the inclusion of OSRAM as of 1/1/76, all percentage changes stated on a comparative basis. All amounts translated at Frankfurt middle rate on 31st December 1976: £1 = DM 4.020.

## MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

### REPORT FOR THE HALF-YEAR ENDED 31st DECEMBER, 1976

The following are the unaudited results of Minerals and Resources Corporation Limited (Minoro) and its subsidiaries for the half-year ended 31st December 1976, together with the comparative figures for the half-year ended 31st December 1975 and the year ended 30th June 1976. These should be read in conjunction with the adjoining notes:

	Half-year Ended 31.12.76	Half-year Ended 31.12.75	Year Ended 30.6.76
	Remittable US\$000's	Non-remittable US\$000's	Total US\$000's
Investment income:			
Dividends from investments	4 990	614	5 594
Interest and net sundry income	899	127	1 026
Income (deficit) from Zambian operations	—	194	194
	5 679	835	6 514
Deduct:			
Administration and other expenses	533	—	533
Interest on six per cent registered loan stock	121	—	121
Other interest	—	—	—
Costs of prospecting	1 062	—	1 062
Net loss (gain) arising from currency fluctuations	(100)	(41)	(141)
	1 616	(41)	1 575
Profit before taxation	4 263	976	5 239
Foreign taxation	6	61	67
Profit after taxation	4 257	915	5 172
Add:			
Transfer from (to) reserves	(100)	(41)	(141)
Current reserve	—	—	—
Prospecting reserve	—	(874)	(874)
Capital reserve	(100)	(915)	(1 015)
	4 157	—	4 157
			2 268
			8 539

Unappropriated profit brought forward	14 553	14 207	14 207
Over provision for foreign taxation in prior years	—	118	118
Adjustment thereto arising from currency fluctuations	680	84	39
	15 233	14 409	14 364
Unappropriated profit	19 390	16 707	22 903
Appropriations:			
Dividends:			
No. 30 of 4 cents per share declared 21st February 1977	2 943	—	633
"A" ordinary shares (note 2)	—	3 437	7 717
Unappropriated profit carried forward	16 447	13 270	14 553
	19 390	16 707	22 903

#### NOTES:

1. The results for the current year have been altered to indicate clearly what proportion of income is available for distribution, and what proportion, mainly because of exchange control regulations in force in the country of source, is not available for distribution ("non-remittable income"). The net non-remittable income is transferred to a non-distributable reserve.

2. Following the payment on 15th October 1976 of a final dividend (No. 79) of 2 cents a share on the ordinary shares in respect of the year ended 30th June 1976, the "A" ordinary shares were redesignated as ordinary shares.

#### 3. Trend International Limited

The corporation has a 43 per cent interest in Trend. In the President's Review for the year ended 30th June 1976, shareholders were informed that in August 1976, Trend, as the holder of a 27 per cent interest in an Indonesian oil producing joint venture, was obliged to sign an agreement with Pertamina, the Indonesian State oil agency, which radically amended the terms of the production sharing contract with effect from 1st January, 1977. It was not possible at that time to determine precisely the effect of these modifications, but it was apparent that Trend's overall earnings and cash flow would be materially reduced.

In a subsequent announcement published in the press on 18th November 1976, shareholders were informed that as a result of the above developments, it would be necessary to make a provision with respect to the book value of Minoro's investment in Trend.

Trend has now completed a detailed analysis of the likely effects of the amendments to the production sharing contract referred to earlier, and has in consequence placed a total value on Trend of approximately U.S.\$91.7 million. This implies a value of Minoro's 43 per cent holding of some U.S.\$39.5 million which compares with the present book value of U.S.\$44.6 million. It is therefore intended to write down the book value to the figure of U.S.\$25.3 million. This will be accomplished by the write-off of U.S.\$25.3 million as an extraordinary item.

#### DIRECTORATE

The Board of Directors has appointed Mr. M. R. Hufnagel as Vice-President. The resignation of Mr. F. S. Berning as a director of the corporation has been accepted with regret.

#### DECLARATION OF INTERIM DIVIDEND NO. 30

The directors have today declared an interim dividend of 4 cents (United States currency) a share in respect of the year ending 30th June 1977, payable to members registered in the books of the corporation at the close of business on 4th March 1977 and to persons presenting coupon No. 33 detached from share warrants to bearer. Dividend warrants will be posted from the registered office of the corporation in Bermuda and from the Johannesburg and United Kingdom offices of the local registrars on or about 31st March 1977. The dividend is payable subject to conditions which can be inspected at the registered office of the corporation and also at the Johannesburg and United Kingdom offices of the local registrars.

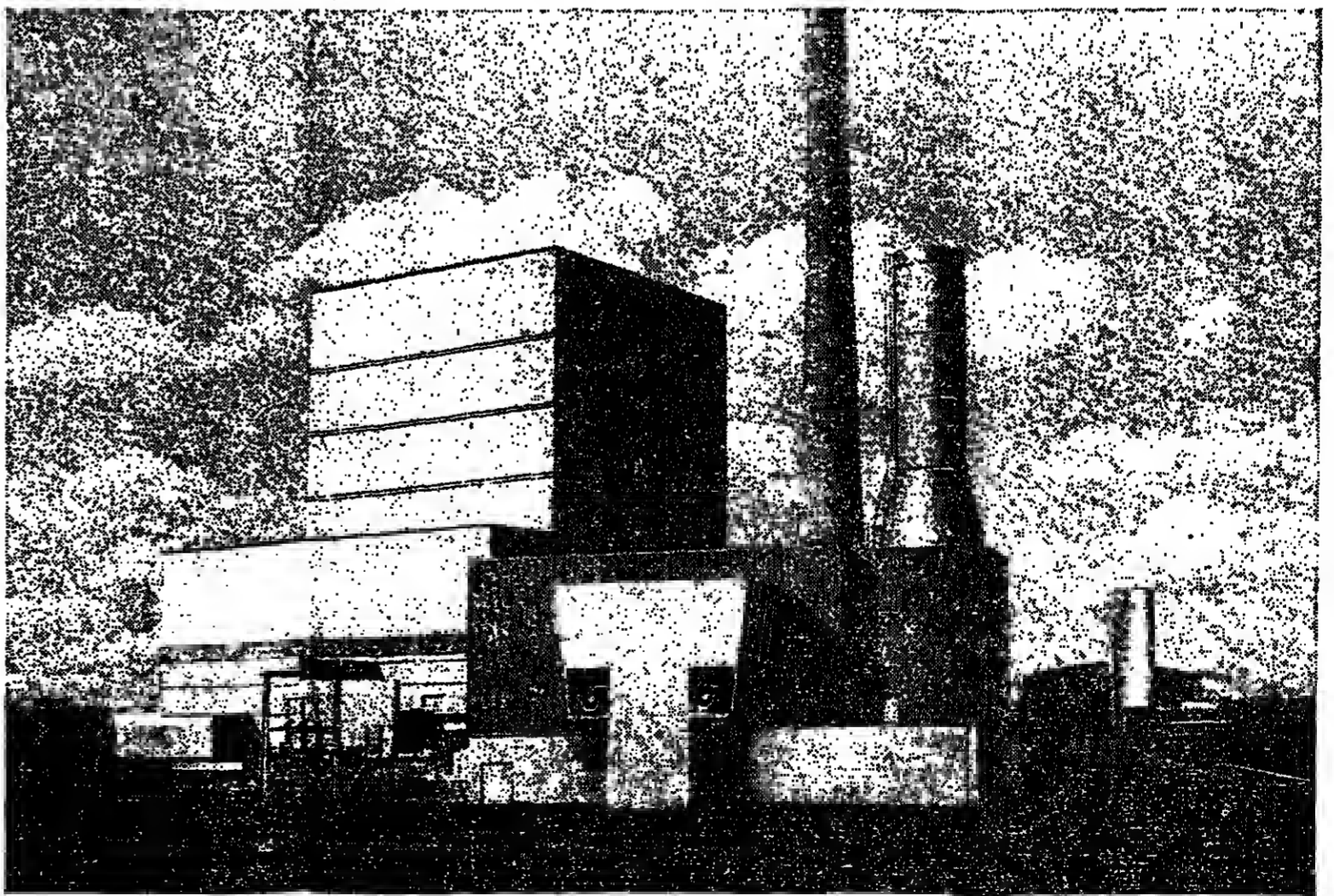
By order of the Board  
W. D. Wilson  
G. W. H. Rely  
Directors

U.K. Registrars:  
Charter Consolidated Limited,  
P.O. Box 102,  
Charter House,  
Park Street,  
Ashford, Kent, TN24 5EQ.

Registered Office:  
Belvedere Building,  
Pitts Bay Road,  
Pembroke  
(P.O. Box 650 Hamilton 5)  
Bermuda.

S.A. Registrars  
Consolidated Share Registrars Limited,  
62 Marshall Street,  
Johannesburg 2001  
(P.O. Box 61051 Marshalltown 2107).

21st February, 1977.



### Extended interest in powerstations and transformers

As of 1st January 1977 our interest in Kraftwerk Union AG, Muelheim, was increased from 50% to 100%, and our interest in Transformatoren Union AG, Stuttgart, from 50% to 75%. Both companies rank among the world

leaders in their respective fields — thermal power stations and transformers. Shown is the 720 MW coal-fired power station in Wilhelmshaven, completed by Kraftwerk Union in 1976.

# Siemens AG

In Great Britain: Siemens Ltd.



# The Management Page

EDITED BY JOHN ELLIOTT

JENNETH GOODING describes how a U.S. fork lift truck manufacturer despaired of Britain and left it to a Scotsman to pick up its sales

## A 'series of disasters' that made Clark quit

AN MAJOR American company decides to shut down its manufacturing operations in the U.K. and says that in 1975 it will supply this market in Germany, France, and the Netherlands. The questions are inevitably about why this has happened and whether other U.S. companies to follow suit.

Clark Equipment, market leader in industrial fork lifts in the States, recently off its remaining manufacturing business in Britain. Its sole carrier operations were left by Ferranti.

The purchase ended a process which started over a year when Clark, which also has construction equipment, gave up the assembly of industrial trucks at Camberley in Surrey and later stopped hydraulic cranes there.

Some 600 jobs were lost as a result. However, at one stage Clark had 3,000 employees in U.K. its manufacturing over peaked at an annual 2,000, and it was exporting out of ten of the industrial trucks in the U.K. recently as 1975 Clark was using a great future for Camberley plant. It had an idea to be its main electric truck manufacturing facility in Europe, thus "confirming the company's faith that the U.K. serve the enlarged Common

wealth.

Clark's big European investment is now being made in Germany where its Mulheim industrial truck plant is into a DM60m. (roughly £10m) programme designed to raise capacity from 3,600 to 10 units a year.

### Diverse

Factors which led to these problems are diverse and give a sad series of management mistakes, industrial relations problems and a lot of bad luck. But to understand the situation it is necessary to know some of Clark's history outside the U.K. In 1975 its world sales were \$1.4bn. and net income \$46.6m; both figures were more than twice the level of seven years before. This rate brought problems when, in turn, caused a sharp drop to pause and take a balance sheet had \$150m.

suffered because Clark had been growing at 13 per cent a year while retained earnings advanced by only 8 per cent. The relationship between shareholders' funds and borrowings was also getting out of balance. At the same time Clark found it needed to invest in new capacity. During the previous ten years or so the group had always been able to boost capacity during boom periods. But after three years of really strong growth it finally came to the end of that road.

The time had come for Clark to cut out some of the less-

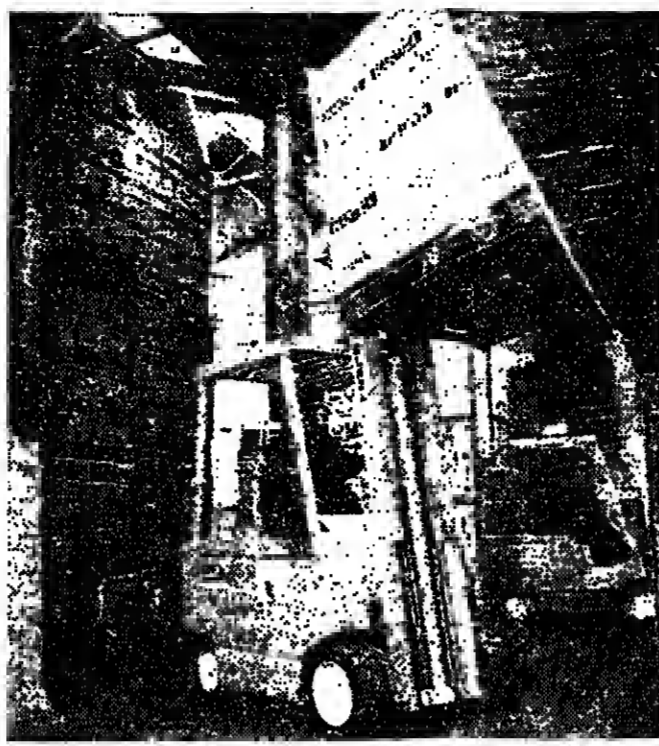
As extra capacity was needed it was also important for Clark to look at its industrial truck operations. In 1975 these accounted for 35 per cent of total sales, against the 42 per cent from the construction equipment business. It was decided that the group should concentrate on manufacturing and sell off its distribution business to independent dealers. Last month (January) the last of the U.S. dealerships changed hands. The U.K. distributorships were sold last autumn. The French outlets will go this year and those in Germany in 1978.

Rationalisation on the production front concentrated the effort on high-volume lift truck "families." Clark reduced both the number of products and the options available at the lower end of the range. In turn this cut overheads and made them more controllable. The numbers of truck parts required, and improved stock turnover.

Mr. Phillips sums up all the changes by saying: "We looked at Clark as a beautiful big tree which needed pruning to strengthen it. Our sales have been cut from \$1.7bn. to \$1.3bn. but the potential for the rate of growth is still there. We can still grow at 10 per cent a year."

But why was it that the Camberley plant failed to figure in the rationalisation except as a casualty? One answer was supplied by Mr. Guntram Stier, deputy general manager of Clark Maschinenfabrik, at the Mulheim plant. "We have proved to Clark over the years that at Mulheim we have a management team and employees who can make profits." This remark should be seen in the light of Camberley's accumulated losses of around \$25m. in the first half of the 1970s.

Clark's series of minor disasters in the U.K. began in 1968 with the acquisition of the Stacktrac company based at Hall Green in Birmingham. There was physically no space to expand that business and it was moved to the other Clark industrial truck plant at Camberley. The idea was to get some cost-saving benefits. What the move exposed, however, was that Clark had acquired a large quantity of out-of-date stocks which had to be written off.



A Clark H500 forklift truck.

In 1973, at the time when Camberley became the chosen site to provide electric fork lift trucks for Clark's European network, the group was unable to step up production to profitable levels. Mr. Bob Braun, the group vice president who runs the materials handling division, recalls: "We had no industrial relations problems of any substance of our own at Camberley. But industrial problems at our suppliers kept us short of components. We were never able to get the production we were seeking at Camberley during that period of peak demand."

### Proliferation

Then demand started to decline and, to cut costs again, Clark continued the manufacture of construction equipment with that of industrial trucks at Camberley. Mr. Braun says: "With hindsight, that was probably a mistake. We ended up with too much proliferation of products." In the end "we found ourselves unable to make a product at the Camberley plant for a price which would allow us to compete in Europe." In 1975 the decision to close down was taken.

Clark was able to agree with the U.S. tax authorities that there should be a \$20m. reduction in its taxes for 1976 to cover investment losses in the U.K. The increase in net income was \$16m. or \$1.17 a share.

The member of the Clark Board who resisted the closure to the end was the president, Mr. Phillips. He says: "My heart was not in that decision.

But there were great losses. There seemed no way of getting the Camberley plant back into the black. In the end I had to agree there was no future in staying in England."

Clark has invested more than \$100m. in four new plants over the past three years (one for the materials handling division, one to make axles and the third for construction equipment) as well as expanding others, so it has no need for more capacity until at least 1981, if then. But at that stage the U.K. would certainly be considered once again because it offers a good supply infrastructure, plenty of know-how and a good domestic market. Says Mr. Phillips: "I would hope some day that somehow we can get back into England. But that must be in the distant future."

Meanwhile Clark is determined to recapture the market share it lost while all the changes were being made in the U.K. and especially since distribution of its imported trucks is being handled by an independent operator—the Clarion group.

The situation underlines how much the U.K. balance of trade has to gain—or lose—from the confidence the North American manufacturers of such things as lift trucks, agricultural equipment—particularly tractors—and of construction equipment have in their U.K. manufacturing operations. For even if they decide to stop making products here, they remain as determined as ever to maintain or improve market share by selling imported products.

## Clarion confidence in a tough market

THERE IS overcapacity in the world industrial truck industry, demand is extremely cyclical; competition in the U.K. is intense and returns are expected to be low. Not the kind of business, in fact, you would expect a Scottish accountant to buy his way into. But Mr. Jim Bisset, 41, who is indeed a Scot and who qualified as an accountant in 1959, is the man behind Clarion Holdings, the company which has taken over the marketing and servicing of Clark trucks in the U.K.

Mr. Bisset has already built up one forklift sales company and sold it off at a handsome profit. "It is a good industry to be in. There is great satisfaction in selling capital goods. You get more satisfaction out of selling just one forklift truck than you could possibly get out of selling, for example, 4m. safety pins," he says.

Mr. Bisset is in the business because his father, in partnership with John Blackwood (of Blackwood Hodge) had the Caterpillar equipment franchise for Scotland and Hyster lift trucks were sold alongside as part of the arrangement. In 1960 a separate subsidiary was established to market the Hyster trucks and in 1965, when sales had started to climb, this was hired off as Caledonian Mechanical Handling with Jim Bisset in charge.

Sales went from 50 units a year in 1960 to 300 by 1970, at which stage Caledonian had 30 per cent of the Scottish market.

In 1971, Caledonian was sold to Barlow Mechanical Handling, which now has the marketing responsibility for Hyster in the U.K. Caledonian cost £93,000 when it was separated from the Caterpillar dealership. Barlow paid £1.1m. for it six years later.

Mr. Bisset became deputy chairman of Barlow Mechanical Handling for a while but policy disagreements led him to leave to run his own investment holding company, an interest he has now given up to devote his full attention to Clarion.

As far as Clark Equipment was concerned, Jim Bisset was the answer to its corporate prayers. Clark had a network of ten retail branches in the U.K. and the original intention was to sell these off to, perhaps, four or five individual small dealers. But Clark was also in a

hurry. To achieve the best possible tax advantages in the States on its U.K. losses Clark had to complete the deals by the end of December last year. As the decision to sell off the branches was taken only in the summer, there was no chance of achieving a piecemeal sale. Mr. Bisset then appeared and offered not only cash for the whole network, but also a proven track record in the industrial truck industry.



Mr. J. F. Bisset, chairman of Clarion Mechanical Holdings.

Clarion is, to say the least, heavily geared. Mr. Bisset and others put up £400,000 for the equity, Clark provided a commercial loan of £1m. and the rest of the capital required—between £4m. and £5m.—has been provided from U.K. banking sources, backed by guarantees from Clark.

As part of the deal Clark has agreed to buy back the business from Clarion if asked to do so and can also require Clarion to sell back if sales of Clark lift trucks do not reach agreed levels.

The deal, which involved only the sale of the net assets of the Clark branches and no goodwill element at all, was completed in time for Clark to take its tax relief which resulted in an increase in Clark's net income of about \$16m., or \$1.17 a share for 1976.

Apart from Mr. Bisset, 25 other managers employed by Clarion have become shareholders in the new company.

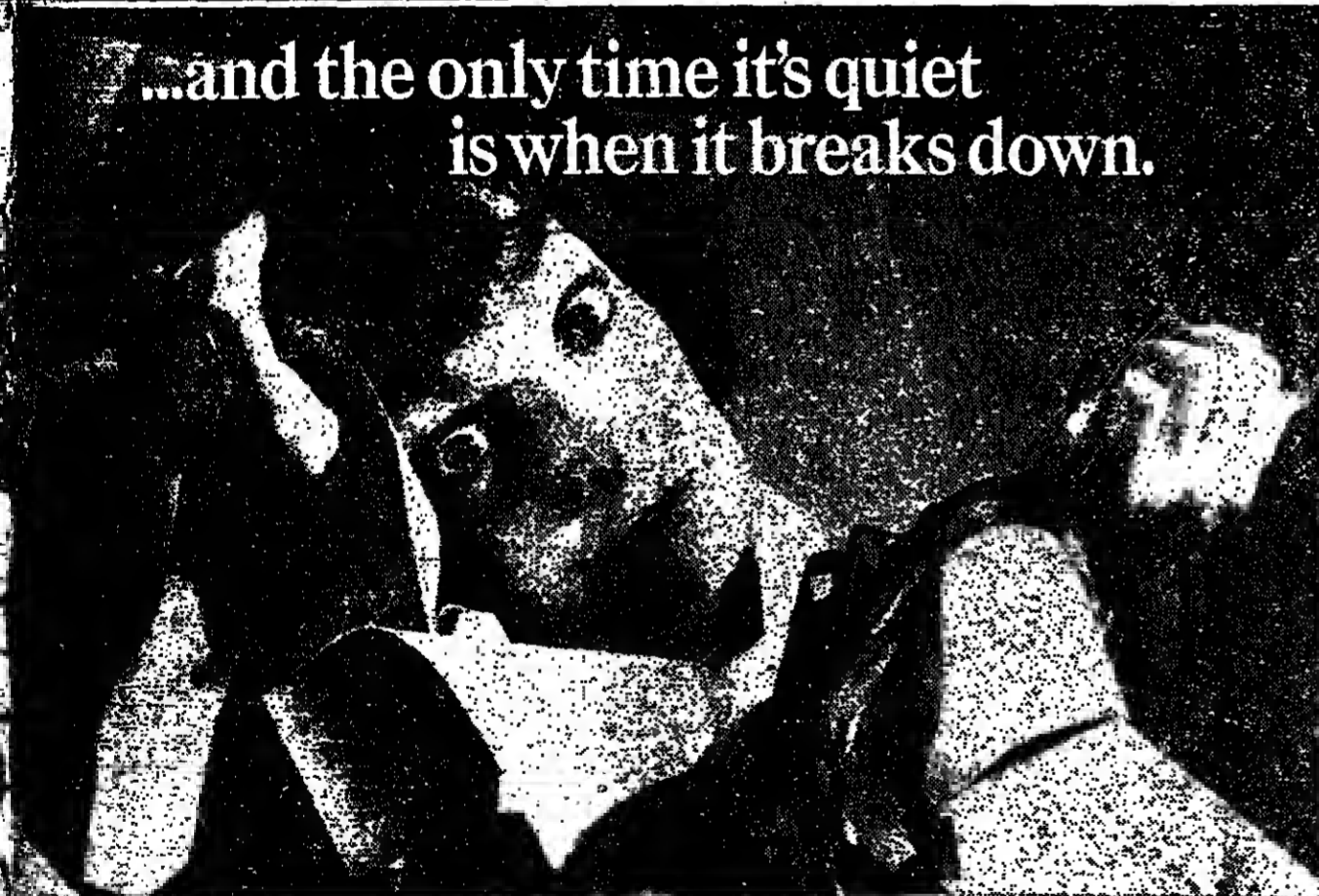
Between them they have put up £150,000 out of the £400,000. Says Mr. Bisset: "The cash they have put in will give them a greater incentive, more involvement with the company. It should help them understand the broader aspects of the business rather than just their particular part of it."

There are 400 people working for Clarion, most of whom were formerly with Clark, which boasts that only six became redundant when more than 350 employees switched from Clark to Clarion on January 1 this year. "We are not changing the product, the people or the premises," declares Mr. Bisset. "We can only use the people more effectively. We give them guidance, motivation and leadership."

Clarion has split the network into four dealerships, covering Scotland, the North West, the Midlands and the South East with a managing director for each. "By taking the branches and making them dealerships with one person responsible for the total performance at each dealership we will put them much closer to the customer."

Mr. Bisset cannot do for Clark what he did for Hyster in Scotland in the old days because the sales pitch then was that "Hyster is the only industrial truck built in Scotland," something which appealed very much to the chauvinistic Scots. Now he is dealing in equipment which is all imported. But Mr. Bisset expects £10m. of turnover for Clarion this year and for that to triple in five years' time—that is to double in real terms with a bit thrown in for inflation." He points out that even a 5 per cent net profit on a £30m. turnover would produce £1.5m. which, in turn, would represent a 125 per cent return on the capital invested—"Not had at all."

Mr. Bisset believes he is taking a fairly cautious approach. He points out, using the examples he knows best, that Clark is the market leader in the States with 30 per cent, while Hyster has 15 per cent. In the U.K. Hyster has 15 per cent and Clark less than half that. "I don't expect to get 30 per cent of the U.K. market but we can certainly get closer to Hyster. And we can increase our market share without putting anyone out of business."



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Incorporating THE FINANCIAL NEWS (Established 1884)
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Renault: success in state hands

By DAVID CURRY and ROBERT MAUTHNER in Paris



M. Vernier-Palliez: "We decide alone"

Time to think again

THE GOVERNMENT'S decision to try to impose a parliamentary timetable on the Devolution Bill this afternoon is an understandable attempt to salvage a rapidly foundering proposal. But it deserves to fail.

When Mr. Michael Foot introduced the measure last November he claimed to be open-minded about a large number of its detailed provisions. And on that basis it was possible for many doubters to support the second reading.

Haggling
A number of suggestions—notably the introduction of proportional representation for the Scottish and Welsh Assembly elections, a reduction in the number of Scottish and Welsh MPs at Westminster and the complete extinction of Wales at this stage—have been specifically rejected, even when the votes of the Liberal Party might have been secured by a change of front.

The strains of the two-tier oil price

THE SHAH'S last-minute decision to cut back defence spending in this year's budget is an impressive demonstration of the impact of the price dispute within the Organisation of Petroleum Exporting Countries. Oil price rises have slumped sharply so far this year, partly because of stockpiling by the oil companies in advance of the January OPEC meeting, partly because Saudi Arabia and the United Arab Emirates refused to go along with the demand by Iran and the majority of OPEC members that prices should go up by 10 per cent at once and by a further 5 per cent in the middle of the year.

Re-assessment
Yet it would be a mistake to imagine that the price dispute has been the only factor in Tehran's reassessment of its budgetary strategy, and premature to assume that the two-tier price system will be a more than temporary phenomenon. In the three years which have elapsed since the 1973 war and the quadrupling of oil prices, Iran has indulged in a massive military spending programme, rising from \$2bn. in 1973 to \$8bn. in 1976. This year's cut-back, from a projected \$10bn. to just under \$5bn., is no doubt immediately due to financial constraints. But at just under a quarter of total budgetary spending it remains a very substantial programme, and a levelling-off cannot but have the advantage of making it somewhat easier for the Iranian forces to absorb and adapt to the vast influx of advanced equipment. It should certainly make it easier for the Iranians to persuade the U.S. that they are buying. Predictions that the two-tier price system would collapse immediately under the volume of Saudi Arabian production have not yet been vindicated, and it

RENAULT, the French State-owned motor company which last year established a new production record of 1,857,000 vehicles, is frequently held up as one of the world's few successful nationalised concerns, whose performance is envied by many of its private French and foreign rivals.

It has already become a pawn in the political battle leading up to the general election because of the Socialist-Communist opposition's nationalisation programme for nine of the country's largest companies, with hundreds of their subsidiaries. The Left, of course, triumphantly pulls Renault out of its hat on every conceivable occasion to prove that nationalisation works, while one pro-Government newspaper has tried to prove that the company has done much less well than its chief French competitor, Peugeot-Citroen.

Consensus
What would follow is not, admittedly, very clear. A grand constitutional conference to re-examine the options is called for by many Conservatives, though the Government can be forgiven for looking at this proposal with some scepticism in the light of the Opposition's attitude to the matter hitherto. Lord Home has suggested a referendum should be conducted before further consideration of the details of devolution and if a satisfactory form of question could be devised this might indeed introduce a new element of political consensus which is obviously required.

For the time being, however, the first priority is to make Mr. Foot think again. The convention that constitutional bills should not be gullied is, like most rules of thumb, no more than a rough guide. But it is a good one, and a measure which unites almost everyone, apart from the Government managers, in hostility to itself certainly cannot claim to be exempted from it.

ning of the company it is difficult to establish, given the covering up that begins when this delicate subject is raised. Certainly, top management wants to give the impression that the state intervenes hardly at all in the running of the company. "We decide alone what we do," one of the directors told us. M. Vernier-Palliez himself is rather more circumspect about the whole matter, as befits someone who has been part of "the furniture" of the organisation since nationalisation.

According to the chairman, one reason for Renault's unique relationship with the State is that it is not heavily subsidised like the steel industry. Another is that it is not a monopoly like the State gas and

private companies, the management is at pains to emphasise. Renault has been paying dividends to the State as shareholder since nationalisation. Ever since 1963 it has also been obliged to pay annual interest to the State of 5 per cent of the total of its capital, bringing the sum of total dividends and interest payments to some Frs. 475m. during the 13-years ended in 1976.

One of the company's golden rules is never to be in a position in which it is not able to raise the money it requires on the market. But M. Vernier-Palliez readily admits that, though the State does not guarantee the company's loans, banks and financial institutions would rarely, if ever, hesitate to provide money to a nationalised organisation. Their attitude might be different if Renault were to have several bad years, but that prospect is not seriously envisaged at the Quai du Point du Jour, the company's modernistic and luxurious new headquarters at Billancourt.

Together with M. Pierre Dreyfus, V.P., as he is generally known to his staff, organised the company into four almost autonomous, but obviously linked, operational branches: cars, lorries, diverse industrial companies, and financial subsidiaries, each with their own

RENAULT'S FINANCES 1963-75 (in m. francs)

Table with 6 columns: Year, Invested, Gross Profit, Capital Increase, Debenture Loans, Taxes. Rows for years 1963 to 1975 and a Total row.

\* Before taxes, depreciation and reserves. † First year of payment of the increase of capital by the State. ‡ Net profit plus depreciation.

according to normal commercial criteria. M. Vernier-Palliez's remark, however, is not to be taken completely at face value. Renault is clearly pleased as punch that it is likely to show a profit in 1976, enough, probably, to wipe out a substantial part of the Frs.551m deficit of 1975. Apart from such things else, profitability is a justification of the policy that the company has been pursuing, and ensures that the Government will not be breathing down the necks of the management all the time. To what extent the Government does interfere in the run-

MEN AND MATTERS

Diplomatic revolt

The appointment of a former Liberal Party Minister Gordon Freeth as the new Australian High Commissioner in London to replace career diplomat Sir John Bunting, who is retiring for health reasons, has provoked a barrage of protest among career diplomats in Canberra.

Meet and be merry

The last five years may have seen fairly sluggish growth for the U.K. economy generally, but it has been gun-bo for the U.K. Meetings Industry whose turnover has risen from £30m. to £250m., arranging get-togethers of all kinds. This has made London the world's leading international conference centre—in spite of the fact that until the opening of the Wembley Conference Centre recently there were no custom-made conference facilities in town.

Hold me tight...

With large areas of America hit by an appalling cold winter the U.S. Forest Service has come out with a timely reminder that "hypothermia is the number one killer of recreationists." Hypothermia (cold, in plain English), is defined as "sub-normal temperature of the body" and the Service warns that it does not have to be freezing for hypothermia to occur. Most cases develop between 30-50 degrees Fahrenheit, particularly in windy or wet weather. Wet clothes lose about 90 per cent of their insulating effect. The interesting part of the report is that the victim often denies that anything is wrong. Don't believe it, is the Forest

YOUR BUSINESS COULD LOSE £000s IF KEY EXECUTIVES LOSE THEIR LICENCE.

Service advice. But if unwitting sufferers knew what the recommended treatment was they would probably submit with less resistance. "Get the sufferer stripped and into a bed or sleeping bag with another person, also stripped, or between two persons. Skin to skin contact is the best treatment." You don't have to suffer from hypothermia to recognise the value of that advice.

... but don't smoke

There is not much chance of suffering from hypothermia in the notoriously sweaty world of squash. It is the keep fit sport par excellence and has enjoyed a massive growth in popularity, especially amongst the overweight and sedentary short of breath brigade. Full recognition of this has just come from Action on Smoking and Health, the private anti-smoking ginger group which has just announced a new ploy to discredit what they call "the grotesque association between smoking and sporting success" fostered by the £5m. annual sport sponsorship budget of the Tobacco Industry. Now ASH has decided to sponsor its own team of non-smoking Ulster squash men, the Crawfordsburn team, who will proudly display the ASH badge and Combat Cancer strip

Whole hog

The staff magazine of a Birmingham company reports that out of date methods had led to the entire production and supply operation being slowed down. To overcome this the company decided to appoint a new co-ordinator. His job definition "to eliminate production and supply bottlenecks."

Advertisement for St. Christopher's Security Association, featuring a key and text about business insurance and security services.



SOCIETY TO-DAY: THE CIVIL SERVICE

BY JOE ROGALY

Topsy at the Home Office

HOME OFFICE just grew, not usually regarded as a user of manpower: that is normally reserved for the Department of Health, Social Security, or the Ministry of Defence...

Following last week's article, it seemed reasonable to ring back and say, "why not put it on the public record?"

The kind of reason given by the CSD in its annual report on numbers is "growth in prison service due to rise in prison population."

increase alone in the size of the army of state employees apparently around 75,000; is equivalent to the addition of a whole new department...

The cheery are for this one set of enlightenment; it is not possible to say much, in fact, about the rest of a Department engaged in one of its perennial bouts over deportations and civil liberties...

The direct growth in the bureaucracy starts with the Mountbatten report on prison security, published in 1966. That led to a management review with the chief consultants in that area...

less liberal regimes, can be well understood. But this outsider still finds it hard to accept that even with these factors in mind the growth can be wholly explained away.

The growth in police support services shown in the main table is large in percentage terms, but since it is "merely" a further thousand people it seems reasonable to take their word that this new breed of forensic scientists, radio engineers, computer staff and training officers is worthwhile.

able amplifications follow. First, it must be acknowledged that the figures in the tables are based in some degree on the Home Office. It is pleasant to be able to say as much, since the assertion in this last week that most of Civil Service will not produce intimate details about anything in an open manner...

HOME OFFICE: Nearly All The Story. Table with columns: STAFF IN POST, 1966, 1977, % change. Rows include CIVIL SERVICE, POLICE, FIRE SERVICE, and TOTAL.

As someone who has seen the horror of some contemporary prisons, I can sympathise with those who say we have too little staff, not too much: it is to the good that they have opened 17 new, presumably less grim, places of detention and closed three since 1966.

We can leave aside State Management District Carlisle (when the Home Office actually ran pubs up there) and, noting the slight fall in the number of industrial civil servants—storemen, drivers, waitresses, stokers—look more closely at the 54 per cent growth in "other HQ" staff.

HOME OFFICE: Less than half the story. Table with columns: STAFF IN POST IN: 1966, 1968, 1970, 1972, 1974, 1976, 1977, % change 1966-77. Rows include CIVIL DEFENCE, POLICE SUPPORT, PRISON SERVICE, IMMIGRATION & NATIONALITY, and OTHER HQ.

\* Estimates.

growth in the number of Parliamentary Questions, letters to the Home Secretary all answered nowadays and similar clerical or administrative work. The small table cannot tell the bigger story in anything like such detail.

When last year's £95m. cut in spending on the Civil Service was agreed (after the Civil Service Department had had its share falling to the Home Office of £2.9m. The method of meeting this demand was the

usual one: the forecast of growth from 1978 was cut, with the exception that growth in the prison service would still be "demand-led." This means they can still go on filling posts, and growing, this year: 400 jobs, plus 300 in prisons, are still regarded as vacancies and recruitment is proceeding in the normal way.

Letters to the Editor

voice of actor

Sir Alon Cottrell, FRS. The Government is now taking a decision on the next nuclear reactor for the UK. The choice is between a tube-type heavy-water reactor (SGHWR/Candu), another gas-cooled reactor (AGR), or a pressurised light-water reactor (PWR).

General engineering experience shows that many failures occur, not through faulty designs or specifications, but through simple human errors in construction, supervision and operation.

so that present prices can be maintained or reduced, and the standard of living improved. E. F. Tuffrey, 151, Cromwell Tower, Boreham, E.C.2.

hardly less astounding. Perhaps the gentlemen in question could be achieved under the time-honoured rules of double-entry book-keeping?

GENERAL

The Queen and Duke of Edinburgh arrive in New Zealand. Provisional unemployment figures for February issued. Consultative document on Price Code published.

To-day's Events

Sir Geoffrey Jackson, who was held prisoner by terrorists for eight months when U.K. Ambassador to Uruguay, speaks on "Patriotism." St. Lawrence Jewry next Guildhall, E.C.2, 1.15 p.m.

OPERA: Royal Opera production of Un ballo in maschera, Covent Garden, W.C.2, 7.30 p.m. English National Opera perform Kolya Kabanova, Coliseum Theatre, W.C.2, 7.30 p.m.

Effect of wage increases

From Mr. E. Tuffrey. Sir—The fact that prices are rising faster than wages is producing opposition to any continuance of the Social Contract.

Table showing effect of wage increases on costs and wages. Rows include Increase in costs (prices), Increase in wages, Add VAT 8%, etc.

Pricing goods and theft

From The Chairman, National Number Association (U.K.). Sir—It's surprising that Mr. Lodge (February 15) is not aware that although the use of bar codes to possibly replace price marking on packs might make the apprehension and successful prosecution of shoplifters somewhat more difficult...

Current cost accounting

From Mr. P. Neatiff. Sir—Now that the proposals of the Marple Committee Exposure Draft 15 are being fully digested by industry, commerce and the professions, we are once again being inundated with cries that the proposed system is incapable of being implemented.

Some costs of paperwork

From Mr. A. Grant, M.P. Sir—The Prime Minister recently made encouraging noises about the importance of small firms but I wonder if he or your readers have any conception of the appalling burden imposed upon these firms by the activities of the Price Commission?

Current cost accounting

For the year 1977-78 the position will be even worse. Based on an average wage of £72 per week, a 10 per cent increase in wages will result in a net loss to the wage earner: Increase in costs (prices) £1.00, Increase in wages £0.08, Add VAT 8% £1.08, Less income tax 35% £0.35, Net loss to wage earner £3.92.

Current cost accounting

From Mr. P. Neatiff. Sir—Now that the proposals of the Marple Committee Exposure Draft 15 are being fully digested by industry, commerce and the professions, we are once again being inundated with cries that the proposed system is incapable of being implemented.

Current cost accounting

The main area of complaint from the professional firms who will be responsible for auditing accounts prepared under the proposals appears to be that they will not deem it proper to issue an audit certificate in respect of the appropriation account.

Current cost accounting

Subsequently our last year's accounts were sent to the Price Commission and this has resulted in a request for a complete list of price increases implemented since August 1, 1976, each price increase to be supported by an "allowable cost" increase calculation, and so wage settlements which give rise to any increases in labour costs to be supported by the completion of Department of the Environment forms.

HOW IRVINE NEW TOWN GAVE ONE COMPANY A MAGIC CARPET RIDE.



The Irvine Development Corporation has something of a reputation for looking after the Goliaths of the company world. Like Beecham, Hysler, SKF and Volvo. What's not so well known perhaps is the great care we take of what might be called the Tom Thumbs of the company world. Like Craigie Carpets.

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BIDS AND DEALS

WCB not for Monopolies

Mr. Roy Hattersley, the Secretary of State for Prices and Consumer Protection, has decided not to refer the merger between Arthur Guinness and White Child and Beney, which has strenuously opposed the take-over, to the Monopolies Commission.

Last week Guinness announced that acceptances and purchases in the market had brought its holding in WCB to 52 per cent. Yesterday's announcement was to have dashed the last possibility of National Enterprise Board involvement in WCB, itself strongly opposed by Guinness.

It is understood that important factors in the decision not to refer the merger may have been the lack of any considerable overlap between the two groups' markets and the fact that the plastic moulds used by both WCB and CPG (Guinness plastics subsidiary) were typically owned by the customer, therefore making entry into the market fairly open to many other injection moulding firms.

However, Mr. Richard Beney, chairman of WCB, said yesterday that the news "makes no difference to our plans." These are to prevent Guinness from being able to take advantage of Section 250 and buy out minority shareholders and to attract sufficient shareholder support to preserve WCB's status and the company's identity, said Mr. Beney.

"If Guinness, at some future date, wish to buy us out it will have to value us very highly," added Mr. Beney.

Within a fortnight, WCB intends to send out a profit forecast along with report and accounts for the year ended in September.

The Board of WCB has a holding of 4.5 per cent in the company but Mr. Beney explained that there were many shareholders whose holdings derived from the merger of the three WCB family companies estimated by Guinness at between 55-60 per cent of the equity.

Mr. Beney hopes to persuade them not to sell. Last night the WCB shares were unchanged at 65p-in line with the Guinness cash offer.

ERNEST IRELAND

Following their appointment as receivers of the Ernest Ireland Group at the end of January, Mr. T. R. Thom and Mr. M. J. Roman, have completed the sale of the business and goodwill of the three main contracting subsidiaries on a going concern basis.

It has already been announced

Growth for Nationwide Leisure

In an official rejection of British Car Auction's £8.5m. bid for the United Nationwide Leisure, Mr. J. M. Hutchings, chairman of the leisure group, says that draft accounts to October 31, 1976, show profits have increased by 50 per cent, and are in excess of £20,000.

Net assets at that date, in accordance with professional valuations, were in excess of £1.270m., or 20p a share. Mr. Hutchings, who has stayed on as chairman especially to fight this bid, says that Nationwide shareholders, having been asked to contribute two-fifths of the assets of the enlarged group, are being offered 10p for each share of the capital of BCA in return.

The Board has declared a troubled dividend which is twice covered, more than a quarter higher than provided by BCA under its offer, and could be maintained in future with profits running at the present level.

Mr. Hutchings also says the Board "is nearing the point when we can apply for a renewal of the nationwide share quotation." BCA, which holds 18.3 per cent of Nationwide is offering one share for every three Nationwide shares worth 10p a share with BCA 51 30p down 1p yesterday.

INTER-CITY INV.

SHARON Fabrics, a private company engaged in the manufacture of double knit jersey fabric, has been acquired by Inter City Investment Group in exchange for \$25,000 ordinary shares.

Net tangible assets of Sharon at November 1975 were £10,000 and pre-tax profit for the year to that date was £19,000.

Alphon Kiltvear (a subsidiary of Inter City) is already engaged in the manufacture of double knit jersey fabric. Sharon will vacate its present premises and join the Inter City group. It is anticipated that the Alphon production will increase by some 40 per cent with resultant economies in costs.

MINING NEWS

Tenke-Fungurume cloud over Anglo results

BY KENNETH MARSTON, MINING EDITOR

WHILE THE rewards of a Bank said demand is currently quite firm and should be strong enough to absorb all metal on offer at the year progresses, Middle East and Far East demand is likely to remain strong this year and there could be increased buying from European countries like France, where municipal elections take place in the next few weeks. A general election is due in 1978, the Bank says.

This message is underlined by the 1976 results of Anglo American Corporation of South Africa. Revenue from the many facets of this giant mining, industrial and finance group has been held largely in balance during the past year, totalling a net R26,27m. (£5.65m.) compared with R24,71m. in 1975. A maintained final of 25 cents (16.8p) makes an unchanged dividend total of 33 cents out of earnings of 65.3 cents per share.

Table with financial data for Anglo American Corporation of South Africa, including Investment Income, Subsidaries, and Profit before tax.

Anglo comments that ways and means are still being considered of financing a smaller project than the previous 130,000 tonnes of copper per annum plant at Tenke-Fungurume, "but it will be some time before definite conclusions can be reached." It has been estimated that it is economic to produce around 90 cents per pound.

MOSCOW VIEW OF THE GOLD PRICE

The gold price may pass through \$140 an ounce this year before settling steady, according to the Moscow International Monetary Fund gold auction, the price has been fluctuating over \$135 and yesterday closed at \$137 1/2 an ounce.

ATLANTIC ASSETS NOW FREE OF HAW PAR SHARES

Atlantic Assets Trust, the Edinburgh concern managed by Ivory and Slime, has now sold off, for some £1.3m, the last 5.22m shares of the 11.69m, shares it acquired in Haw Par Brothers International of Singapore in 1974.

The shares had been bought when Slater Walker Securities finally disengaged from its controversial investment in Haw Par and disposed of the bulk of its interest in that company to Atlantic Assets, which took more than 10 per cent, and to Charter Consolidated.

Atlantic Assets, which earlier sold off 6.97m of its Haw Par shares for £1.6m, has incurred a loss of some £1m, or about 22 per cent, on the deal.

Shares of Haw Par were suspended from quotation for a considerable time when the company came under new management in Singapore in 1974 following the collapse of a project to link it with the Malaysian State concern Pemas.

Atlantic Assets' announcement of the sale of its last Haw Par shares follows the sale of its Bateia Oil Corporation concern in the U.S. to Oil Exploration (Holdings) in a £3.7m. deal in December.

SHARE STAKES

Beneficial interest of Merchandise and Investment Trust—a wholly owned subsidiary of Hambros—in Hellenic and General has increased from £245,820 to £341,320 shares following recent purchases. This with £300,000 5 per cent. Preference stock held by Merchandise represents 53.26 per cent of the free unrestricted voting rights of the company.

HOUSE OF FRASER £0.93M. OFFER FOR BROWN MUFF

House of Fraser, headed by Sir Hugh Fraser, has made a £930,000 take-over bid for Brown Muff, the Bradford department store in which it already holds a 27.4 per cent stake, acquired in 1974.

Terms, which value the Brown Muff at £1.25m, are £100,000 in cash for each B.M. share. There is also an offer of 5p in cash for the £163,708 Preference issue totalling £50,000.

TELEFUSION

Telefusion S.A. Belgium, a subsidiary of Telefusion Baa purchasing TV rental accounts value B.Frs.21m. (some £3,000) from Telerent S.A., Belgium.

Anglo (it could rise to some 24 per cent.) as De Beers is Rand's largest shareholder with a 40 per cent interest. It is planned that the record date for the Rand rights issue will be April 1 and the terms will be announced shortly before. Documents on the full and final merger proposals and the necessary increase in Anglo's capital will be posted to shareholders at the end of March.

Peko-Wallsend profits expand

DESPITE A substantial increase in half-yearly earnings, the diversified Australian mineral producer, Peko-Wallsend, is maintaining its interim dividend at 7.5 cents (4.85p). The total distribution for the previous year to June 30 last, was 13 cents. Net profit for the six months to the end of December last amounted to \$6.53m. (£3.85m.), compared with \$5.5m. (£3.2m.) in the same period of 1975-76 and \$6.1m. for the 12 months to June 30, 1976.

The group has been helped by the devaluation of the Australian dollar, but it has also gained from increased production and higher prices for tungsten oxide as a trend pointed up in the last annual report was extended. The zinc market, however, has been depressed.

Coal production at 318,069 tonnes was 71.22 tonnes higher than in the 1975-76 half, reflecting the harder demand since the 1974 energy crisis. Coal production was also higher, and the prices received would have been greater than in the previous year's first half. But gold output was lower.

Direct output of the current financial year, Peko should continue to benefit from the effects of the devaluation, but these could be counter-balanced by continued pressure on costs. The shares were 39p yesterday.

ANGLO-RANDSEL MERGER DEAL

The proposed merger between Anglo American Corporation and its investment offshoot, Rand Selection Corporation, has been pushed a stage further with a joint announcement that agreement on the deal has been reached.

Randsel confirms that it has agreed to make a rights issue of R30m. (£3.9m.)—the terms of which have yet to be announced. The merger terms of the South African deal has been reached. Randsel confirms that it has agreed to make a rights issue of R30m. (£3.9m.)—the terms of which have yet to be announced.

ZCI LOSSES

The Bermuda-incorporated Zambia Copper Investments, which owns 49 per cent of the Zambian Nchanga Consolidated Copper Mines and 12.25 per cent of Roan Consolidated Copper Mines, reports a loss of \$US1,52m. (£1,89m.) for the six months to December 31.

This compares with a loss of only \$26,000 in the same period of 1975 and a profit of \$151,000 for the 12 months to last June. No dividend is declared.

Apart from the continued lack of any dividend income, ZCI has also suffered in the past half-year from a loss of \$2,49m. arising from the impact of Zambia's devaluation on dividends remittable (but not received) from that country. ZCI were 22p yesterday.

Burco Dean A year of Product and Market Development

Points from the Chairman's review. PREPARING FOR FUTURE GROWTH Trading conditions in 1976 defied the economic forecasts and, instead of improving, deteriorated further towards the autumn. Despite this, the Company continued uninterrupted its preparations for future growth, but naturally had to withstand the resultant cost and organisational stress.

A.J. MILLS (HOLDINGS) LIMITED

Table with financial data for A.J. Mills (Holdings) Limited, including Turnover, Profit before tax, Profit after tax, Dividends, Earnings, and Net Assets.

Copies of the Report and Accounts are available from the Secretary, Colonial House, Tooley Street, London SE1 2PL.

\$265,000,000 CITY OF VALDEZ, ALASKA 5.90% MARINE TERMINAL REVENUE BONDS

ATLANTIC RICHFIELD COMPANY The Series 1977 Bonds will not constitute general obligations of the City or a charge against the general credit or the taxing power of the City or the State of Alaska.

DEANSON (HOLDINGS) LTD. Printers of Computer Stationery, Business Forms and Duplicate Books; Offset Litho Printers and Distributors of Adhesive Tapes

Over £2m. for Utd. Scientific ALTHOUGH GROWTH at United Scientific Holdings is expected to return to a more normal level in the current year.

NIL FINANCIAL AND COMPANY NEWS

KemaNord earnings fall but payment increased

By William Dullforce

STOCKHOLM, Feb. 21. ANORD, the Swedish iron and steel concern, which is engaged in a contested takeover bid for the much larger Swedish steel group, had a 12 per cent increase in earnings in 1976, according to preliminary figures today. The Board is, nevertheless, proposing to raise the dividend by Kr.1. The dividend is to be increased by 14 per cent to Kr.1.79bn. (1330m.) a third of the increase stems from new acquisitions in the R. and G. Cuthbert. The 1976 pre-tax profit is 5.7m. (151.7m.) against 4.3m. in the previous year. The increase in income from operations in other companies is 1.2m. earnings per share out at Kr.50 or roughly the same as in 1975. The earnings decline, which began in the interim report, is attributed mainly to decreased power production resulting from the lower 1976 rainfall and to a weak silicon market. It is noticeable, however, that profit margins decreased with manufacturing costs rising by Kr.230m. compared with the Kr.217m. growth in sales. The preliminary report notes a certain upturn within several of the concern's product and marketing areas during the autumn, but does not expect any appreciable improvement until the latter part of 1977. The management does, however, forecast a profit improvement this year. Group liquidity declined slightly during 1976 from Kr.281m. to Kr.259m., but investments increased substantially from Kr.138m. to Kr.202m. State stock support was marginal, amounting to Kr.26m.

Swiss banks may face new asset regulation

By John Wicks

ZURICH, Feb. 21. THE SWISS Federal Banking Commission is investigating the possibility of extending to precious metals and commodities the reporting regulations to which commercial banks are subject. Banks would be obliged to report such assets as soon as their book value exceeded 20 per cent of bank equity. In this case, equity would have to be increased accordingly, as is already provided for with regard to other balance positions under the banking laws. Banks have since 1972 been subject to a similar recording requirement in the case of real-estate property. Reporting here is necessary in cases where a single property has a value equal to 20 per cent of bank equity. Both the existing property ruling and that under examination with regard to precious metals and commodities relate to a so-called "undesirable" "hump" risks. With the exception of certain individual sectors of activity, the Swiss engineering concern Brown Boveri is satisfied with the development of group business under the difficult conditions of last year. This is stated in an interview with the Zurich paper "Finanz und Wirtschaft" by Franz Luterbacher, president of the parent company BBC AG Brown, Boveri and Cie. of Baden. THE ZURICH-BASED discount chain, Denner AG, which increased its total number of Swiss retail outlets from 120 to 135 in 1976, plans the opening of some 10 to 15 outlets in 1977. This year, and about the same number again in 1978. In all, some 40 new locations are foreseen. In Austria, a total of 13 Denner shops will be in operation by the end of next month, and further outlets are expected to be opened there later on this year. The company chairman, Dr. Helga Hudek said that as many new locations as possible would be opened there in the future. Further improvement in profitability permitted a 37.8 per cent rise in cash flow to Sw.Frs.14.58m. (Sw.Frs.10.58m.), while net profits within this total increased from Sw.Frs.5.14m. to Sw.Frs.9.28m. Turnover of the Austrian subsidiary went up 30 per cent in 1976 to Sch.59.4m.

Forecasts from Murata

By Pauline Clark

TA Manufacturing Company of the largest world-wide ceramic manufacturers and a major manufacturer of capacitors, forecast in a statement today that its second half of the current year would be not less than almost the same figure as for the whole of 1976. Improved margins are expected to have produced very high net income for the six months and gain is in contrast to the year's total of just the full financial year this March. The forecast is a net income of Y3.3bn. totalling Y4.8bn. The figure being some Y300m. than was indicated at the end of 1976. The forecast was made to coincide with the launching of the first fund raising operation in Europe with the issue of shares at a par value of Y50 per share in Continental Depository Receipts. Application has been made for a listing on the Luxembourg Stock Exchange and managers of Nomura Europe NV and Robert Fleming and Co. The group, which has long wished to broaden its capital base in Europe, states that proceeds of the sale will be used to help Murata's capital expenditure programme for expansion of production in Japan. Murata's performance this year puts it well on the road to a recovery from the sharp decline in demand for its products which seriously affected its profits in the fiscal year ending in March 1975, and the first six months of the following fiscal year when consolidated net losses were recorded of Y887m. and more than Y1bn. respectively. After reporting Y21.25bn. sales and Y1.03bn. net income in the first half of the current year, the group says that production plants have lately been operating at somewhat lower capacity levels—understood to be about 78 per cent—due partly to further enlargement of production facilities and also partly as a result of seasonal factors and changes in demand for Citizen Band transceivers. However, commentators point out that Murata should benefit from the changeover from 20 to 40 channels under the new U.S. regulations because of the consequent replacement of intermediate frequency transceivers by ceramic filters of which Murata holds 90 per cent of the market. In the first half of the current year, some 24 per cent of the group's sales were outside Japan with the U.S. taking 11 per cent. The group has not committed itself to a forecast for the coming year but says that it expects to benefit from any further growth in the electronics components industry and hopes to maintain the current year dividend totalling Y7.50.

Listing rules affect shares

By Douglas Ramsey

TOKYO, Feb. 21. ER listing requirements of the Tokyo Stock Exchange once up to a quarter of companies listed on the First Section to drop back to the Second Section in 1975. The requirements are aimed at making more individual companies available to the market, a move which is lacking up to listing to one security nearly 100 major companies now listed on the 375 First Section of the Exchange. The proposed changes are not new, but the number of shares of small shareholders (500 shares) and available shares on the daily market. The requirements, to take effect in March 1978, would exclude any company from the First Section that does not have over 2,000 "floating" shareholders (at present the minimum is 1,500). A company's listing will also be downgraded if floating shares fall to less than 50 per cent of capital stock. The change in listing requirements will come on top of the controversial conversion to consolidated accounting for companies listed on the Tokyo Stock Exchange. Those requirements came into effect in the fiscal year 1977 for the first time in the reporting period in March 31, 1975. Tokyo dealers already anticipated several changes in First Section listings, with some smaller companies qualifying on the basis of consolidated results for listing on the top section. Others are attempting to do so by expanding their share ownership base on the Second Section. But by the same token, several major companies may find themselves out in the cold if debt-foisted on to affiliates and subsidiaries come to light when their results are consolidated. Individual investors are still very much second-class citizens on the TSE, and the market is wrestling with various other ideas (apart from raising the listing requirements) to attract more small money. This week the Securities Dealers' Association decided to send a mission to the U.S. and Canada in April to study the stock option trading systems

Premium for Newfoundland

By Tony Hawkins

NEWFOUNDLAND'S recent \$50m. 9 per cent 1989 issue was the pick of the new offerings in secondary market trading yesterday. The stock traded around the 101 level after being priced last week at 100. In first time trading the Great Lakes Paper 87 per cent of 1982 (\$20m. issue), priced last week at par, opened around the 99 level, closing at 99.8. The recent Canadian dollar issues had another difficult day with Beneficial Finance being particularly weak at 97.97; compared with an issue price of 99. Dealers said that the Canadian dollar sector was adversely affected by the weak opening of the Canadian dollar in foreign exchange markets. With some markets closed for the holiday, trading was at moderate to low levels and there was no discernible trend in the straight dollar bond sector.

Fitchell Cotts record

By Richard Rolfe

JOHANNESBURG, Feb. 21. GENERAL trading in mining shares was controlled from 22.4 cents per share. The board has raised the interim dividend from 6 cents to 7 cents, but stresses that the intention at this stage is simply to reduce the disparity between the interim and the final. The forecast of a total at least in line with last year's 20 cents has been repeated, and the shares up 20 cents in 195 cents on the news against a generally quiet industrial market yield a prospective 10.3 per cent. The profit mix has changed considerably since a year ago, with the construction and contracting interests at Fraser and Chalmers marking time at R2.3m. while manufacturing and the transport, shipping and storage services have forged ahead.

FRICAN NEWS

tax investigation at General Motors

By Jay Palmer

NEW YORK, Feb. 21. ALCOA, America's largest industrial concern, confirmed over the week-ends that it is now the subject of a highly unusual tax fraud investigation by U.S. Justice Department Internal Revenue Service. GM and the Justice Department refuse to discuss any details of the investigation, which was started several weeks ago. A spokesman for GM said that the Government will conclude that the company has not done anything wrong. Detroit Free Press, which took the story on Saturday, is an informed source as it says government investigators are trying to determine whether operation deliberately dealt the government. The paper added that substantial sums of tax dollars were paid to be involved and said he investigated possibly certain unnamed individuals as well as GM itself. The total blackout on the issue, it is being regarded as unusual. Most allegations of corporate tax fraud are automatically classified by government investigators as civil or criminal investigations. Prosecutions of major cases are very infrequent. ER INDUSTRIES Corp. agreed in principle to substantially all of its Engineers division, for about \$30.5m., reports Reuter from New York. Kaiser said the sale is subject to approval by both Boards, to negotiation of a mutually satisfactory definitive agreement and is approved by the stockholders of Kaiser Industries. If the sale is completed, Kaiser said it expects to have a pre-tax gain of about \$25m. While unable to share fully in the 1976 improvement in volume and profitability experienced by many of the free world's aluminium producers, Alcan Aluminium enters 1977 hoping to benefit from an expected modest growth in demand for aluminium, the company's two senior officers disclosed today, reports the company. In a message to shareholders in the 1976 annual report, Mr. Nathaniel V. Davis, the chairman, and Mr. Paul H. Lewman, the president, said, "building on a strong worldwide base and on the recently-commissioned rolling mills in Canada, the U.S. Government in a position to benefit from the market opportunities which lie ahead." The two officials said Alcan plans to start, when conditions permit, a staged expansion and rebuild of its Quebec smelter system. This project would require heavy capital commitments over an extended period but, before embarking on it, Alcan expects to have full discussions with the new Quebec government. "We believe that as a result of such discussions and with renewed dedication on the part of all concerned to bring about improved industrial relations, Alcan will be able to achieve continuity and success in its Quebec operations," they said. The chairman and president noted that the consolidated earnings performance in 1976 was only modestly better than the recessionary results of 1975. This was due principally to the heavy financial impact of a five and a half month strike at three of Alcan's four Quebec smelters and a three month strike at the fourth. "In the first half of the year the Aluminium Company of Canada showed an improved earnings trend, but consequent upon the strike suffered a severe loss in the second half," said the two board members. In contrast, Alcan's other operations, taken as a whole, contributed little to profitability during the first half but, benefiting from improved markets, showed strongly improved earnings in the second half. This improvement included a welcome recovery in continental Europe and the United Kingdom, a much lower loss by a related company in Japan and continued strong earnings in Latin America, especially in Brazil.

NEW YORK, Feb. 21. been scheduled for February 26, when a definitive agreement will be presented for their approval, Koehring said. Koehring said its annual meeting, previously scheduled for March 25, will be delayed with the time and place yet to be determined.

Table with financial data for FRUEHAUF, FMC CORPORATION, GILLETTE CO., and SAFEWAY STORES. Columns include Revenue, Profits, and Per share for 4th Quarter, 12 Months, and 1976-77 vs 1975-76.

Advertisement for The Industrial Bank of Japan Finance Company N.V. featuring \$50,000,000 Guaranteed Floating Rate Notes Due 1982. Lists various international banks and financial institutions.

Advertisement for AB Götaverken U.S. \$25,000,000 Revolving Credit Facility. Lists participating banks including Orion Bank Limited, Norddeutsche Landesbank, and The Royal Bank of Canada.



# FINANCIAL TIMES REPORT

Tuesday February 22 1977

# TAYSIDE

The people of Dundee and Perth are taking some time to adapt to their new identity as part of the Tayside region. The area is also having to cope with serious problems of unemployment.

region

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alves

Ray Perman  
sh Correspondent

POLITICAL compromises  
vished the new local gov-  
nt structure onto an un-  
g Scotland did the Tayside  
two disservices.

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m Gorie, regional indus-  
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ay seem a minor point,  
ith competition between  
ment areas of Britain for  
new investment as in-  
as it is now, every little  
ance assumes a dispropo-  
rate importance. At least  
l names, Angus and Perth-  
were to most people un-  
eably Scottish.

second disservice was  
ig a local government unit  
despite the conscientious  
of officials to make it

work, seems uneasily to have  
two centres pulling in opposite  
directions. As local government  
seems destined to be drawn into  
the devolution debate, it is  
possible that both these draw-  
backs will be remedied in time.

The region covers the former  
counties of Angus, Perthshire  
and Kinross and has as its main  
towns, Dundee and Perth. It has  
a population a little over 400,000  
and is an area of great diver-  
sity, containing industrial slums  
as bad as any in Britain, High-  
land scenery of breathtaking  
beauty, some of the best agricul-  
tural land in Scotland and  
approaching 50 miles of coast-  
line with ports that have proved  
attractive to firms supplying the  
North Sea oil industry.

Half the region, the part to  
the east, looks to Dundee as its  
natural centre, travelling in to  
work from the small towns of  
Monifieth, Carnoustie, Brechin,  
Forfar and Kirriemuir and  
across the Tay road and rail  
bridges from the towns of  
northern Fife. The other half  
to the west looks to Perth.

Fortunately in industrial  
development terms the western  
part of the region has relatively  
few problems. Perth, a pros-  
perous country town with a high  
proportion of white collar jobs  
and low unemployment, and a  
binterland based largely on agri-  
culture and tourism, weathered  
the recession reasonably well  
and its people can be, and are,  
left largely to fend for them-  
selves.

That leaves central and local  
government and the Scottish  
Development Agency free to  
concentrate the lion's share of  
their attention on the east and  
particularly on Dundee, which

exhibits the symptoms of  
chronic structural decline: high  
unemployment, low wage rates,  
amount of oil-related activity  
poor housing and a falling  
population.

In its first regional report to  
the Secretary of State for Scot-  
land, the new local authority set  
itself some difficult targets in  
attracting industry and so  
stabilising the population, both  
of the region as a whole and  
within its boundaries.

The report estimated that in  
the period to 1981 the region  
would gain some 7,400 jobs in  
growth sectors, but that this im-  
provement would be consider-  
ably offset by a loss of 6,500  
jobs. The net gain would be  
nowhere near enough to meet  
the expected increase in the  
working population of 3,000.

### Pessimistic

On top of this the report  
acknowledged that the January  
1976 unemployment rate for the  
region of 6.9 per cent. (it had  
dropped only marginally by the  
end of the year) was unaccept-  
able. To reach a more tolerable  
level of 3.5 per cent. another  
5,700 extra jobs would have to  
be created.

In his reply the Secretary of  
State was pessimistic that the  
target would be achieved, or  
that the population would be  
held steady.

In their analysis of employ-  
ment performance in the region  
H. M. Begg and Miss C. M. Lybe  
of Dundee University, pointed  
to the continuing decline in  
traditional industries like tex-  
tiles and agriculture and the  
relative failure to attract new  
investment. Particularly worrying  
was the failure to secure new mar-

facturing industry during the  
1980s and the relatively small  
amount of oil-related activity  
which has come into the region  
since 1973.

Against this their analysis  
showed that once manufacturing  
firms were established in Tay-  
side they tended to grow faster  
than the Scottish average. This  
finding is demonstrated by the  
experience of many firms which  
have come into the region in  
the recent past. There is no  
shortage of industrialists to tell  
the inquirer that the environ-  
ment is pleasant, labour rela-  
tions relatively tranquil, commu-  
nications good and the range  
of incentives offered in the way  
of investment grants very  
attractive.

The regional council outlined  
several hindrances to attract-  
ing new industry in the regional  
report. One was the inadequacy  
of sewerage and water supplies,  
but far more worrying was the  
shortage of suitable industrial  
sites, particularly outside the  
cities. A programme to rectify  
this deficiency using powers  
under the Community Land Act  
has been drawn up, but it is  
likely to be delayed by cuts  
in public expenditure.

Another aspect of the same  
problem is the shortage of small  
advance factories and the coun-  
cil is looking to the Scottish  
Development Agency to provide  
more.

But the tangible improve-  
ments that could be made in  
these areas may not be enough.  
Everyone concerned with  
regional development now  
points to the scarcity of mobile  
investment. Tayside has one  
advantage over the West of Scot-  
land and the depressed areas

of England and Wales that it  
seems reluctant to fully exploit.  
If not exactly in the front  
line of oil- and gas-related  
development, the region, is well  
placed to get a share of down-  
stream activity as three pipe-  
lines are already planned to  
pass through it. The most likely  
developments are gas-related,  
including separation plants,  
ethylene crackers and manufac-  
turing in chemicals and plas-  
tics.

The Government has already  
said that it will back the con-  
struction of four ethylene  
crackers in Britain and the first  
in Scotland is likely to be estab-  
lished in Fife alongside the  
separation plant being proposed  
by Shell-Esso. If more develop-  
ments are to follow it is likely  
that the companies involved  
will look first to areas where  
they can be sure of the support  
of local authorities in the

inevitable public inquiry. So  
far Tayside has not made up its  
mind whether it would welcome  
such developments or not.  
The pay-off in permanent jobs  
comes relatively low down the  
industrial chain and opinion  
among both elected councillors  
and full-time officials is divided  
over whether the long-term  
advantages outweigh the  
possible environmental damage.  
While one side feels that the  
region will have to bid for the

"dirty end" of the process if  
it is to reap the eventual re-  
wards and should identify sites  
where development would be de-  
sirable now, another fear is that  
agricultural land could be  
ruined without any guarantee  
that the lucrative final manufac-  
turing will remain in the area.  
In the words of Mr. Hamish  
Ramsey, director of planning,  
"Make your mind up time is  
coming soon."

## Boost from oil

THE OLD argument against  
investing in Scotland—particu-  
larly against establishing a new  
sort of manufacturing or service  
industry north of the central  
industrial belt—was one of  
remoteness. The long distance  
from suppliers of raw materials,  
sub-contractors and, most impor-  
tant, customers made the econo-  
mies of the move look very  
shaky indeed to many people.

But the discovery of oil in  
the North Sea and the rapid  
boom in related industries have  
stood that argument on its head.  
When the market is no longer  
the Midlands and the South  
East of England, but the strong  
forest of platforms and rigs off  
the North East coast of Scot-  
land, proximity to the customer  
takes on a new meaning.

From the beginning it was  
obvious that the ports nearest  
to the first oil finds, Aberdeen  
and Peterhead, would benefit  
most quickly from the new mil-  
lions of pounds at current  
developments. Now, five years  
later, prices when one considers that

on, both are prosperous and  
the annual repair and main-  
tenance bill is already £300m.

represented  
Tayside is already heavily  
represented in the oil-related  
industries with an estimated 90  
firms doing work for the North  
Sea and employing a total of  
2,000 people. There are a dozen  
companies involved in explora-  
tion work, ranging from names  
which rank among the highest  
in the world, BP, Conoco and  
Pan Ocean to enterprising small  
firms like Kingsnorth Marine  
Drilling.

Most of the firms are con-  
cerned with supply and main-  
tenance, making use of the all  
weather harbours available at  
Dundee and Montrose, the avail-  
ability of labour and the engi-  
neering tradition of the region.  
A glance at an oil fields map  
shows that Tayside would not

be the automatic first choice  
of many supply companies if  
there were not other advantages  
in outweigh the increased  
distance.

Mr. Dugal Beedic, managing  
director of the Sea Oil Service  
base at Montrose, is among  
those who believe that these  
other factors will become more  
important as the oil industry  
matures from the exploration  
and development phases to  
production.

"Tayside has the infrastruc-  
ture, particularly in engineer-  
ing skills, and when you are  
looking to the longer term  
things like this and having  
good access to sites become  
more important than the dis-  
tance from the field," he says.  
The region also has good road  
and rail communications, but  
what it does not have is an all  
weather airport. Dr. William  
MacFarlane, vice-president of

CONTINUED ON PAGE 11

# TAYSIDE comes to town

Today, in London, starts a 3 day presentation and briefing session on  
business opportunities in Scotland's developing Tayside Region. Representatives of  
Tayside Regional Council and Dundee District Council will be available at:

The Royal Bank of Scotland, Piccadilly Circus Branch, 48 Haymarket, London SW1

contact — Jim Gorie — Regional Development Officer (TFRD\*) and Councillor

Jack Martin — Development and Industry

from — 9.30 a.m. — 3.30 p.m., today 22nd February, tomorrow 23rd and Thursday 24th.

Telephone 01-930 2918.

TAYSIDE an area with great potential, strategic North Sea sites,  
expanding engineering and chemical industries, quality textile production—a  
great place to work and live.

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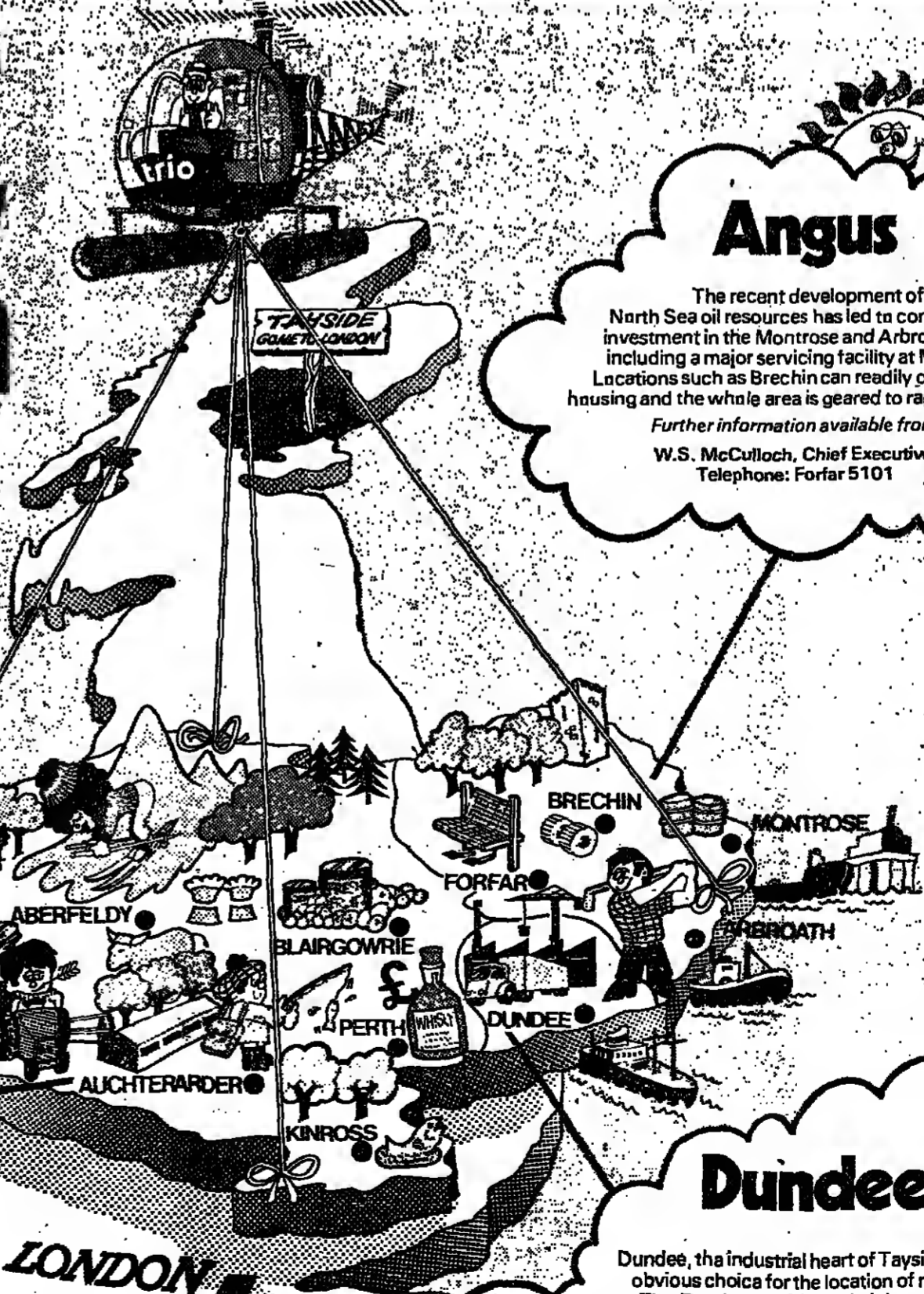
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TAYSIDE II

# Potato becomes big business

IN THE American South it used to be King Cotton: for Scotland's arable farmers in the past two drought-stricken years it has been King Potato.

In England, the drought slashed potato yields almost in half. In Scotland, where rainfall was only slightly lower than normal, yields were almost normal. But prices were not. From a humble, useful addition to the cereal crops which made a little, or just a little more, year in and year out, potatoes became big business.

On a farm scale the value of an acre of potatoes which was not much more than £30 a tonne in 1974 and 1975 was fetching around £250.

In 1975 and last year notations at their peak were selling for more than £300 a tonne. The average value of an acre of them was about £2,000. So far this year prices have held steady, with minor hiccups, at about £150 to £180 a tonne.

But costs have also risen for fertiliser, seed, labour, machinery. And with a question mark over the future of the Potato Marketing Board after the end of the EEC transition period this year, the application of an EEC directive on seed potatoes expected next year, consumer resistance to high potato prices, and tougher competition to face, Scottish growers may need their profits of the past two years.

The outward signs of the big profits are apparent in Angus, which grows one-third of the Scottish seed potato crop and a large percentage of the ware crop. The signs are new machinery, for example, being used for stone separation. For this, a two-row machine costing more than £4,000 or the single-row machine at almost £2,500, is used to remove stones from the soil where the potatoes are to be grown. It speeds up planting and harvesting and reduces damage. It is now a common sight in Angus, but until the past two years it was an expensive technique to be considered only by the large-scale grower and then only warily.

There is also investment in land, if it can be found, at potatoes from Holland will be up to £1,500 an acre, in new

farm buildings and a general concern for the future. This concern is really two-fold: the technical problems of maintaining healthy seed stocks and also a declining potato market which will soon be under open attack from EEC colleagues.

Planting, harvesting and storing potatoes has now been streamlined and mechanised on most farms in Angus, where the man with 30 acres is a small-scale grower. But producing healthy seed, about 100,000 tonnes is produced annually in Angus, is a problem.

Spraying with insecticides is routine, but the past two dry years have made aphids and the plant diseases they carry a serious threat. In spite of insecticides and aphicides and the rest of the agricultural chemist's armoury growers have often decided the best method is hand-roguing, that is, walking through the crop and picking off the diseased leaves. Disease carry-over from crop to crop has been increased by recent mild winters, though snow and frost in early 1977 have helped growers so far.

Scottish market. Basically, it means that Scottish seed growers, with a trade worth £65m. this year, have a fight on their hands.

The initiative to take the fight to the "enemy" by vigorous promotion of their own crop has come from a group of farmers and merchant-growers in Angus. Their aim is an all-Scotland promotion scheme which would hopefully raise £200,000 by a voluntary levy of £5 an acre from the seed potato growers.

This money would be used, not to actually trade in potatoes, but to promote sales in England and abroad and handle market research. They would try, first, to maintain sales then expand and also aim for a guaranteed fall-back price for seed potatoes as there is for ware potatoes.

It is an ambitious scheme and so far support from some quarters, notably the Potato Marketing Board and the large-scale merchant growers, has not been enthusiastic. In fact, it has been decidedly chilly, but the originators of the idea are trying to go ahead. What they need is support from at least 70 per cent. of Scotland's 3,500 seed growers, said the chairman of the working party Mr. Richard Robertson, managing director of Eskfood (Angus).

Response to a post-card questionnaire has been "encouraging." The snag may be that many agreeing now, with seed selling at more than £200 a tonne, may be reluctant to part with £5 an acre levy if the selling price drops back to £100 or less this autumn.

But if the majority of growers are prepared to pay the levy, the promotion group could be set up in time to handle the 1977 seed crop.

A common criticism of farmers is that they are reluctant to help themselves but seed-potato promotion can be well worthwhile. It may also be sorely needed if 1977 is the first "normal" growing year since 1974 — yields up and consumption down as a recipe for low prices and little demand for seed for 1978.

Duncan Marshall

WHEN Mr. Bruce Millan, Secretary of State for Scotland, could offer no special assistance to Dundee last autumn to combat rising unemployment, one councillor was moved to describe it as the city's death sentence. All that was missing, he added, was the black cap.

It was, of course, an over-dramatic exaggeration, but it is easy to understand the councillor's despair. National Cash Register, once the city's biggest employer, had just given notice to 600 workers and the district council's own district labour department was facing 900 redundancies. Male unemployment rate was already nearly 9 per cent. What he did not know at the time was that things would get worse before they improved. By the end of 1976 further lay-offs had been announced in textiles and the building industry.

Dundee, a city of 190,000 people, with half the working population of Tayside region, has been in a state of structural decline virtually since the First World War. Redundancy and closure have been such a part of life for so long that it is remarkable that there are still firms left in the jute and metal-working industries left to continue the process.

The jute industry was once the mainstay of the city's life. Since the inter-war period some 35,000 jobs have been lost and over the last four years employment in mills in the city has fallen by a quarter to 7,500. Siddewell Industries, the major company left in the industry, recently announced a rationalisation and modernisation programme which, although designed to improve prospects by increasing sales in the United States, will further reduce employment over the next two years.

NCR came to Dundee in 1944 and was the pioneer in a wave of foreign investment, mostly from America, which was to be the industrial salvation of the city in the post-war years. Major foreign companies represented now include Timex, Veeder Root, Christian Salvesen, Michelin and Levi Strauss.

But for NCR, the boom is now passed. Employment reached its peak during the changeover to decimal coinage when 6,500 people worked in nine factories involved almost entirely in the manufacture of mechanical

equipment. The company was also responsible for encouraging the growth of high-quality subcontracting engineering firms in the city. But the development of electronic cash registers led to a decline that is still in progress. The latest lay-offs will reduce the workforce to 1,300 mostly engaged in final assembly of components bought in from outside.

The fortunes of NCR have raised fears in some minds that a similar fate might befall Timex should the electronic watch replace the mechanical one. Valentines, another large employer making greetings cards, has also been forced to cut its labour requirements in recent years from 750 in 1969 to around 530 now. Profitability, however, has been restored and the company's future looks brighter.

These figures of Dundee's industrial misfortunes have been repeatedly put to the Government during the current campaign for Special Development Area status. They make grim reading but they do not tell the whole story.

Since 1972, although there has been a slight fall in manufacturing employment, the total number of jobs in the city has risen significantly. The major growth areas have been light mechanical and instrument engineering, construction and the service industries.

There is a long way to go before the unemployment rate is brought down from its present level of nearly 8 per cent. to a more acceptable figure, but the task is not impossible and less daunting than the problem faced by other depressed areas of finding replacements for shipbuilding as a major employer.

## Promotion

A difficulty hindering industrial promotion in Dundee is the shortage of small advance factories, but a greater one may prove to be overcoming the misconceptions which potential developers hold about the city. Among the most serious, says Mr. Jack Martin, district councillor responsible for industry,

is the myth that Dundee has a bad industrial relations record. Official strike figures suggest otherwise, and the city has better record than the more notorious areas in the west of Scotland and Merseyside.

A further obstacle is the city's conservatism and parochialism, typified by the local morning and evening newspapers, published by D. C. Thomson. Until recently, when the Tayside Regional Industrial office was formed, there was a distinctly unaggressive approach to attracting new investment.

When many Dundonians are more willing to tell strangers the bad things about their town, before the good ones, it is hardly surprising that the city has an image that does it less than justice.

In this respect, some people believe the campaign for Special Area status could prove to be a disincentive to investors by drawing attention to the less attractive features of the city. The practical effect if it was granted would be to increase the level of Government grants available on capital expendi-

ture by firms moving in from industrial relations record. But Mr. Jim Gorie, regional industrial officer, believes something should be done to jog Government's memory about the area. "We are a little bit the track. We don't have the nightmarish Strathclyde, nor do we have impetus of the Highlands Islands Development Board. "With the big money going into the Midlands, South-East to regenerate areas, we seem to have fallen to the bottom of the Department of Industry's pile," he says.

The prospects for the immediate future do not seem encouraging, Dundee is represented in some industry by below-average prosperity for recovery from the recession. Longer-term, the city can benefit from an increase in its share of oil-related business, but may have to fight hard to beat the strong competition in order to attract scarce investment in other industries.

Ray Perm

# Dundee in decline

## Transport links

TAYSIDE HAS always been the Scottish region that was "in between" — caught in the middle with on one side the industrialised Central Belt, and on the other the prosperous North East with its farming, fishing and now oil activities.

For this reason communications in and out of Tayside are generally excellent as far as links with the main U.K. motorway network and rail system are concerned. The ports of Dundee, Montrose and Perth offer good exporting/importing facilities, particularly to Northern Europe, the only slight blemish on the overall picture being the lack of a reasonable airport at Dundee.

Tayside has been described as being at the crossroads of the Scottish roads network, with the central spine of the A9 running north-south through the region and bisected by the Glasgow-Aberdeen routes of the A94 and A85.

likely to start for three years. The A9, of which some 50 miles runs through the region, is scheduled for overall upgrading over more than five years. And the two main roads carrying traffic north-east to Aberdeen and beyond, the A94 Perth-Forfar and A85 Perth-Arbroath, are to be upgraded to trunk standards although the timescale for these improvements has become more vague because of public expenditure cuts.

The effect of the national economic climate on plans to improve Tayside's road communications has been considerable. A total of £92m. was last year programmed to be spent up to 1980, but at least half of this sum is now in question.

Much local agitation has centred on the deteriorating condition of the A94 which carries the bulk of the heavy oil-related traffic north. The regional council has pressed for extra Government funds to improve the single-carriageway route, but so far without success. A recommendation to hauliers from the Scottish Development Department that they use the more southerly A85 route through Dundee has similarly had little effect.

Tayside is well served by its rail links. The main Aberdeen-London line passes through the enriched stations at Dundee, Arbroath and Montrose, while Perth and Dundee have Freightliner terminals offering container facilities to London, Liverpool, Manchester and Birmingham. Perth too has a motorsail link with London and the Continent.

Like Aberdeen, Dundee's rail terminal has found favour with the oil companies for storage of

steelwork and piping. The east coast line is heavily used to move about 100,000 tons of pipe a year to the main offshore service bases.

British Rail have recently started a £3.5m. first stage upgrading of its Inverness line, reinstating 23 miles of double track originally closed by Beeching and providing three new passing loops, all to be completed by the middle of 1978. This too is because of increasing movements of heavy oil-related goods.

associated — trade involves import of oil-related goods, cement and chemicals. Although 15 miles from the mouth of the Tay, Perth maintains a small harbour which accommodates small coastal vessels trading and down through Dundee.

But perhaps a good reason why the offshore supply industry has not settled in Tayside lies in the lack of good airport facilities. In fact, the fastest-growing airport in the U.K. as well as a burgeo helicopter base, all Dundee boast is its 4,200-foot grass strip at Riverside.

With landings restricted to light planes, and even doubtful in heavy wet weather, the 10 oil companies who have an interest in using Riverside recently stressed the vital need to improve the strip with concrete surface if they were to maintain regular and efficient transfers of personnel to Tayside.

This alarmed the regional council, whose plans to spend £1m. over the next 10 years upgrading the airstrip to proper terminal facilities, as well as a concrete runway, have been vetoed on grounds of financial stringency by Government.

Fresh pressure is likely to be put on the Scottish Office's sanction at least the £200,000 safe landings for 40-seater craft and helicopters, when this is "done" can probably be dispensed to companies and others to Dundee, and other Tayside facilities caused by the "side situation" be properly assessed.

Lewis Thor

## Motorway

In recent years a considerable amount of work has been done on upgrading this network. The M90, bringing traffic north from Edinburgh and the A1 across the toll bridges over the Forth and Tay Rivers, is now a motorway up to Perth, apart from two sections south of that town.

Work is well under way on the first section, involving a major interchange at Craigmiles and the Friarton bridge over the Tay and due for completion by the end of this year when traffic from the west coming up the A80 and M74 will be able to by-pass Perth. However, a 4 1/2 mile section to by-pass the Glenfarg bottleneck is still hogged down due to planning inquiries and court actions and seems un-

likely to start for three years. The A9, of which some 50 miles runs through the region, is scheduled for overall upgrading over more than five years. And the two main roads carrying traffic north-east to Aberdeen and beyond, the A94 Perth-Forfar and A85 Perth-Arbroath, are to be upgraded to trunk standards although the timescale for these improvements has become more vague because of public expenditure cuts.

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As the region's main port Dundee last year had a throughput of about 1m. tons of commodities, a third attributable to North Sea oil and the rest mainly imports of raw materials like jute, timber and oil.

The port authority have been trying to attract more general cargo trade and ro-ro ferry services, aimed at Northern Europe which is only about 40 hours away. An ambitious project to reclaim up to 22 acres of land at the port's east end has begun with an initial five-acre scheme which is almost ready for developing as a ro-ro terminal or additional oil berthage.

Montrose, too, has attracted one service base and has other

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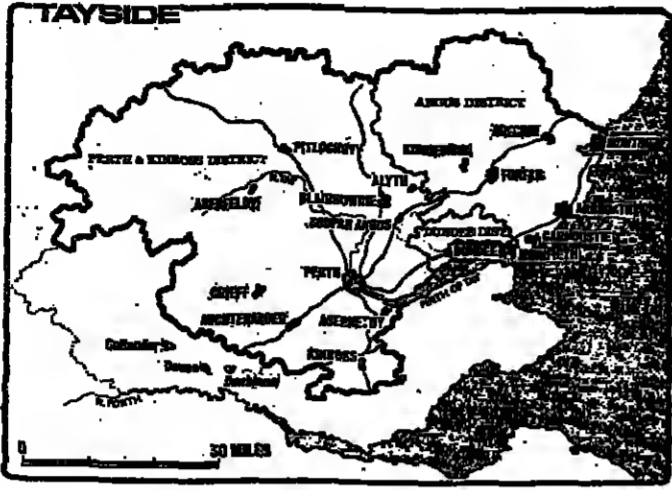
TAYSIDE III

# Perth weathers the storms

THIS IS the doorway to Tayside. Its geographical situation made it the pivot of the lines of communication. It is the centre of an area of affluence and tourism. Of all parts of the Tayside region, changes in Perth and Kinross are the most noticeable.

A district has weathered the economic storms in a pessimistic way than other. It pulsates with activity, developments in the road works reflect the importance of Perth. Modern industrial and new industries add strength to the local economy which is based on income, whisky, textiles, foodstuffs, agriculture, hydro-electricity and shipping.

The road network at present construction is part of a programme for Tayside. It is the key to the industrial development of the Highlands and the East coast of Scotland. In a year the bottlenecks created by the ever-growing traffic through Perth will be eased by a new by-pass. The Forfar Bridge, over the



River Tay, is already taking shape. It will be complementary with the Tay road bridge at Dundee and will help to stimulate trade and industry.

British Rail services from the oil centres of the North through Perth and the motorail service, although threatened with closure at one time, are vital

arteries. Tayside Regional Council has come out against any more cuts in rail services and is campaigning for the reopening of the line from the city to Forfar and Aberdeen.

The M90 Perth to Edinburgh motorway provides speedy links with rail and air services to London, and improvements are being pushed ahead on the A9 to Inverness and priority is also being given to the A9 section from Perth to Strirling.

Perth has also a bustling inland port, for ships up to 1,200 tons and with a harbour-master who also is responsible for Arbroath Harbour, which together are both under Tayside Region's jurisdiction.

Scone Airport, which houses Air Service Training, is the largest civil aviation school in the world and has taught personnel from 40 airlines and 79 different countries.

## Surprise

Perth and Kinross is a rich agricultural area, and with the County of Angus has the largest concentration of raspberry growing in Europe. Perhaps a surprise to many is that there is in Kinross the Selskirk Colliery, employing 1,000 workers.

Mr. James Cornie, head of administration at Perth, points proudly to the influx of a number of small but important industries. With its population of 43,000, Perth has many jobs for women. The city has an industrial development adviser.

On housing, there is a much larger proportion of owner-occupied dwellings than elsewhere in Tayside. Shopping is attractive with modern stores mingling with old establishments. One tobacco shop in the High Street offers its own brands in an atmosphere of gracefulness. Antique dealers abound. As a tourist centre there are many hotels and restaurants, buildings of historical note, enjoyable walks by the Inches, or common lands, alongside the River Tay.

Perth-Kinross boasts a population of 194,732 so there is plenty of space to enjoy open air recreations, including skiing in the winter.

Looking to the future, Perth is awaiting a decision on the line of the western by-pass from the Scottish Development Department and hopes then to be able to negotiate the purchase of a substantial area of land for housing.

Unemployment at present for Perth and Crieff is 5.5 per cent. overall; Blairgowrie 7.7 per cent., compared with the regional average of 7.8 per cent. In Perth there are 1,712 unemployed (at the last count); Crieff 278; and Blairgowrie 376.

An industrialist's guide to the area published by the local council details industrial sites available, the strategic location of the area between central Scotland and the oil-base, communications, educational and recreational facilities, and national and local government financial inducements.

Among newcomers to the industrial scene in Perth are Morganite Electroheat Ltd, at Inverlorned Estate, a member of the Morgan Crucible Group, and G. R. Electronics International. These firms have easily found suitable local labour and key staff who came up from England about two years ago are full of praise for the quality of living they now enjoy.

The worldwide insurance giant, General Accident, has its headquarters in Perth where it has been based since 1885. It employs internationally 15,500 people, 9,000 in the U.K. and 1,100 in Perth (approximately 5 per cent. of the town's working population).

It has grown annually and has developed interests in all spheres of insurance, including North Sea oil. The firm is the only Scottish insurance company actively involved in helping to provide the massive level of insurance required—a single rig is worth more than £200m. and there are about 40 operating in the North Sea alone, and many more throughout the world.

Perth receives a number of inquiries from firms considering it as a possible area for development. An internationally known company is expected to move in shortly creating 100 new jobs.

The city is also a whisky centre. The local firm of Matthew Gloag and Son has plans for a multi-million pound plant on a site at Barnhill. Dewars and Bells, in Perth, are household names.

Tayside has three repertory theatres—Perth, Dundee and Pitlochry—all of which have high reputations.

R. L. Arthur

## Oil

CONTINUED FROM PAGE 1

the Dundee and Tayside Chamber of Commerce, stresses that the Chamber's campaign to have the airstrip at Dundee upgraded is of vital importance in attracting more oil related industry. His view is shared by the local authorities.

Offshore supply firms are concentrated at two locations within the region: Montrose and Dundee. Sea Oil Services, part of the Energy Division of P & O, worked with the Montrose Harbour Board to reclaim more than 30 acres of land from the basin of the South Esk River. Some 30 companies now use the base, which has four sheltered berths and supplies of marine diesel fuel, fresh water, drilling mud and hardware.

Back-up services such as cranes, stevedoring, plant hire and clerical work are provided by Sea Oil, which also runs a machine shop. P & O has recently decided to move its Subsea subsidiary from Middlesbrough to Montrose and is now transferring the back-up for its four submarines and two support ships. At the moment four rigs are serviced from the base, but capacity will be increased when extensions to warehousing and other improvements are complete.

BP Petroleum Development chose Elizabeth Wharf, Dundee, for its supply base in early 1972, after looking at Aberdeen and Peterhead. Both were rejected because they were too cramped and because Peterhead harbour was tidal. "With the Forties Field development we knew we would need a lot of space to

store pipes on the ground. They had to be available when we needed them," said a spokesman. "Dundee had the space, was not tidal bound and welcomed us."

The base now supplies the three (soon to be four) Forties producing platforms and two semi-submersibles; the Zedco 703, operating on the Magnus field, the Sea Conquest, operating in the Northern North Sea. The company started using supply vessels of 800 dwt, but is now using ships of up to 4,000 dwt and achieving a turnaround of six hours in all weathers.

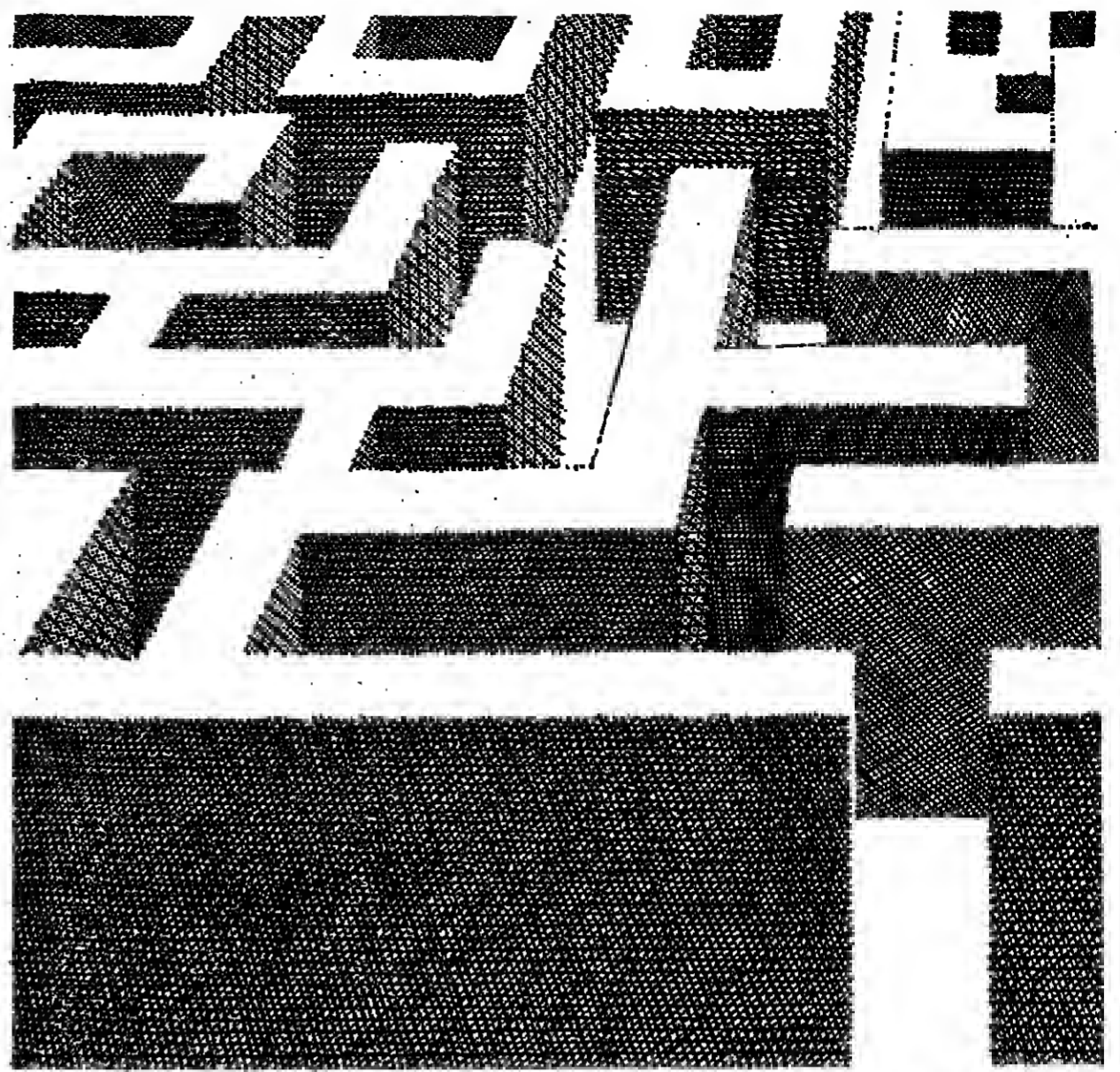
## Engineering

Manufacturing is represented by fabrication firms such as the Eumech division of Brown and Root and Charlton Leslie Engineering, both at the Montrose base, and Kestral Tayside Marine at Dundee, by the numerous engineering firms which have switched part of their capacity to the new market and to Haliburton Manufacturing and Services.

This last part of a large U.S. group, began manufacturing in the U.K. in 1960 in Suffolk, but when the site became too tight to accommodate expansion moved to Arbroath three years ago and took over an existing engineering plant. Although concentrating on the oil industry, Haliburton exports three-quarters of its production of pressure tanks, oil tools and equipment. The North Sea accounts for most of the rest.

Ray Perman

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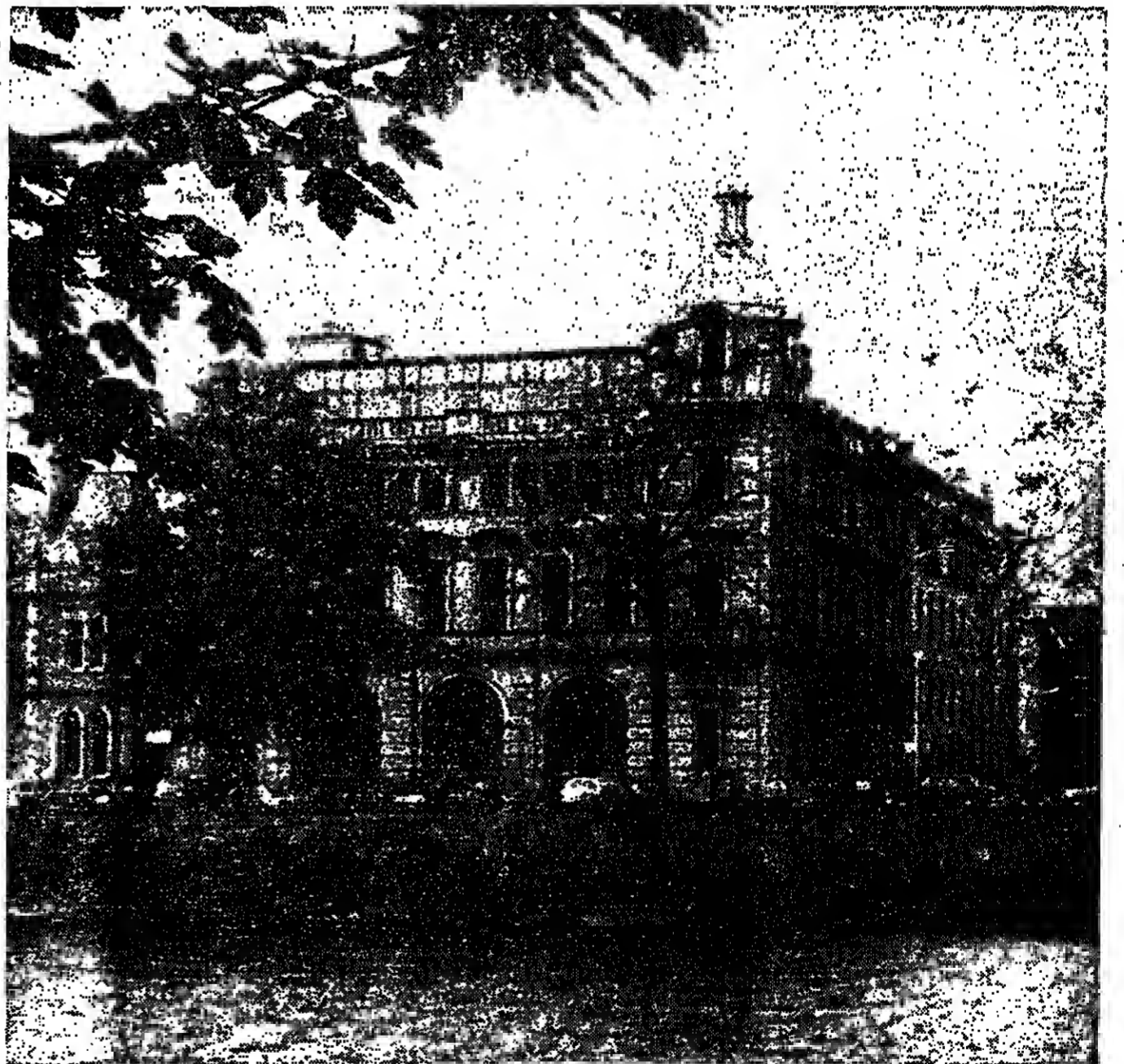
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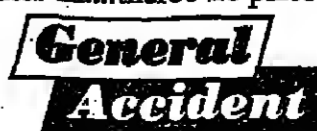
"Shouldn't you be in the 'City of London'?" they say. Well, we've an extensive organisation there, of course, and another 200 or so offices dotted around the British Isles. Branches, subsidiaries or agencies in the USA, Canada, Australia, the continent of Europe, Africa, the West Indies, Malta and Madagascar, Sarawak and Singapore. And we're pretty big in Brazil and Iran and...

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over 15000 people worldwide. With specialist companies and departments covering the whole field of insurance and life assurance offering complete protection, providing complete security.

So, you see, we've looked around a bit since 1885, grown somewhat, settled in a few places and built upon the solid foundation of our founders in Perth.

After all...there's no place like home.



World Headquarters: General Buildings, Perth, Scotland PH1 5TP.

OVERSEAS MARKETS

PRICES MOVED narrowly in light early trading on Canadian stock exchanges yesterday. In Toronto the market index...

Canadian shares dip

AMSTERDAM—Down slightly in rail trading brought about by the closure of markets and carnival celebrations in this Netherlands.

Continued strikes in several important sectors of industry also dampened activity. Dutch Intercentrals were unchanged on balance.

Investors in the past few weeks managed to track up 10 pence in class A DMSB.50. LufftHaus, which last week said 1976 earnings were significantly better than the previous year...

Pound steady

Sterling moved within a very narrow range in the foreign exchange market yesterday. It opened at 1.7035-1.7045 and touched a low point of 1.7025-1.7035.

Demand was mostly on local account, but some London interest was noted. In heavyweights, Randfont advanced to R42.00 while Anglo-Machery share advanced to R42.00.

GOLD MARKET

Table showing gold prices for various countries including New York, London, and other international markets.

FOREIGN EXCHANGES

Table showing foreign exchange rates for various currencies like New York, Frankfurt, Paris, etc.

Wall Street

Wall Street was closed yesterday for George Washington's birthday. Aquiline was off \$1 at \$161. Noon volume totalled 757,547...

Indices

Table of stock indices for New York, London, Montreal, Toronto, and other cities.

N.Y.S.E. ALL COMMON

Table showing N.Y.S.E. All Common stock prices and indices for Feb 18, 19, 20, 21.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates for various currencies like Euro, U.S. Dollar, Swiss Franc, etc.

EURO-CURRENCY INTEREST RATES\*

Table showing euro-currency interest rates for various locations like London, Frankfurt, etc.

FORWARD RATES

Table showing forward rates for various currencies and time periods.

OVERSEAS SHARE INFORMATION

Large table containing detailed share information for various international companies, including stock prices, dividends, and company names.

Vertical sidebar on the right edge of the page containing additional financial news and advertisements.



STOCK EXCHANGE REPORT

Markets dull on threat to British Leyland production Index reacts 4.0 to 389.0—Gilts easier—Gold shares improve

Option Dealings Jan. 27 Jan. 28 Feb. 1 Jan. 27 Jan. 28 Feb. 1 Feb. 22 Feb. 23 Mar. 10 Mar. 11 Mar. 22 Feb. 14 Feb. 24 Feb. 25 Mar. 9

Gold Mines Index, up 5.1 at 112.9, showing its biggest single-day rise for 11 weeks.

while ANZ added 7 to 282p and Commercial Bank of Australia 6 to 212p.

results, ICI drifted down 4 to 385p. Hickson and Welch edged forward 5 to 405p.

with a reaction of 9 to 286p in the day's active stocks list, but with a reaction of the full report and sellers having the edge the close

of Friday's rise of 8.8p. IAT Industries Deferred, at 215p, closed without alteration.

FINANCIAL TIMES STOCK INDICES. Table with columns for various indices like Government Stock, Placed Interest, Industrial Ordinary, and Gold Mines, with values for Feb 21 and Feb 18.



Although the undertone stayed firm in the absence of sizeable selling, stock markets ended with widespread falls after the smallest trade for a month Monday or two weeks.

Arbitrage and other buying interest found sellers of investment currency even more reserved than recently with the result that the premium was pushed up to 100p per cent.

Insurances drifted quickly lower with the general trend, Commercial Union, with results due next Monday, cheapened 2 to 112p.

Engineers were not altogether dull for Tube Investments finally hardened 2 to 370p.

The miscellaneous Industrial leaders developed a gentle downward drift during the course of the day.

of Friday's rise of 8.8p. IAT Industries Deferred, at 215p, closed without alteration.

Reflecting dollar premium influences, Malakoff hardened 2 to 235p in other active shares.

The continuing firmness of domestic markets coupled with the investment premium prompted further gains in Australian, although trading remained subdued.

As already stated, no real selling pressure developed: sporadic offerings in an unwilling market resulted, however, in a broad list of falls, generally extending to 1 in British Leyland and to about 6 in leading equities.

Recent Equities had Time Inc. Common shares 3 higher at 281p.

Breweries drifted gently lower in the trading, King Edward 3 to 192p.

Chemicals displayed no set trend following a quiet trade. Ahead of Thursday's preliminary

Motor and Distributors had little to commend them, sentiment being overshadowed by the growing possibility of a complete shutdown at British Leyland.

After opening easier, Shippings rallied in light trading and closed little changed, F. & O. Deferred

Financials generally mirrored Gold although the weakness of the U.K. Industrial market dampened enthusiasm in London-registered issues.

Other products are also expected to be aimed at the children's market.

F.T.—ACTUARIES SHARE INDICES

Table of F.T.—ACTUARIES SHARE INDICES. Columns include Group & Sub-sections, Monday, February 21, 1977, and various performance metrics like Index, Change, and High/Low.

ACTIVE STOCKS

Table of Active Stocks with columns for Denominations, Closing Price, and Change.

NEW HIGHS AND LOWS FOR 1976/77

Table of New Highs and Lows for 1976/77 listing various stocks and their performance.

OPTIONS TRADED

Table of Options Traded with columns for Share Indications, Service End, and various option details.

RISES AND FALLS

Table of Rises and Falls listing various stocks and their price changes.

MONEY MARKET

Moderate help. Bank of England Minimum number of local authority bills balances were found at between 10p per cent and 11p per cent.

Table of Fixed Interest rates for various instruments like Consols 2 1/2% yield, 30-yr. Govt. Stocks, etc.

Table of Insurance Base Rates for various insurance policies like Property Growth, Cannon Assurance, etc.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Bridgeway Fund Managers, Confederation Funds, Henderson Administration, and Lloyd's Life Unit Tr. Managers. Each entry includes the trust name, manager details, and performance metrics.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond companies including Abbey Life Assurance Co. Ltd., Chiffley, Japhet Life Assn. Co. Ltd., and various other financial institutions.

RETAINMENT GUIDE (Cont'd)

Table listing various art galleries and cinemas, including Heddon House Galleries, Gilbert Parr Galleries, and various cinema listings.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds such as Arabtrust Securities (C.I.) Limited, Charterhouse Japhet, and various international investment funds.

Table listing various financial services, insurance, and investment products including Negit Ltd., Neptune Int'l. Fed. Mgrs., and various other financial entities.

Advertisement for 'The Limbless Look to You for Help' featuring a photograph of a woman and text describing the Limbless Service Association and its mission to help amputees.

NOTES section containing various financial notices, company announcements, and market-related information.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for price, change, and volume.

MOTORS, AIRCRAFT TRADES

Table listing various motor and aircraft related companies and their stock prices.

Commercial Vehicle

Table listing commercial vehicle companies and their stock prices.

Components

Table listing component manufacturers and their stock prices.

Garages and Distributors

Table listing garage and distributor companies and their stock prices.

PROPERTY—Continued

Table listing property-related companies and their stock prices.

SHIPBUILDERS, REPAIRERS

Table listing shipbuilders and repairers and their stock prices.

SHIPPING

Table listing shipping companies and their stock prices.

SHOES AND LEATHER

Table listing shoe and leather companies and their stock prices.

SOUTH AFRICANS

Table listing South African companies and their stock prices.

TEXTILES

Table listing textile companies and their stock prices.

PROPERTY

Table listing property companies and their stock prices.

TOBACCOS

Table listing tobacco companies and their stock prices.

TRUSTS—Continued

Table listing trust companies and their stock prices.

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Table listing shipping companies and their stock prices.

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PROPERTY

Table listing property companies and their stock prices.

TOBACCOS

Table listing tobacco companies and their stock prices.



MINES—Continued

Table listing mining companies and their stock prices.

AUSTRALIAN

Table listing Australian companies and their stock prices.

TINS

Table listing tin companies and their stock prices.

COPPER

Table listing copper companies and their stock prices.

MISCELLANEOUS

Table listing miscellaneous companies and their stock prices.

NOTES

Notes section containing various financial notices and announcements.

REGIONAL MARKETS

Table listing regional market data and stock prices.

OPTIONS

Table listing options market data and stock prices.

INSURANCE

Table listing insurance companies and their stock prices.



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## Growth in economic activity still slow

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

**ECONOMIC ACTIVITY** is still growing at a very slow underlying rate with no signs of an acceleration despite a slight pick-up to the late autumn.

This is indicated by figures for Gross Domestic Product (based on output data) announced by the Central Statistical Office yesterday. These show that GDP grew by only just over a per cent. between the first and second halves of last year.

During 1976 as a whole, the GDP index rose by nearly 1 per cent. (seasonally adjusted), from 107.2 in the previous year. This compares with a forecast rise of 2.5 per cent. given in last April's Budget.

There is nothing in this or in other recent indicators to suggest the need for any revision of the freer market and sluggish growth during 1977.

Last December, the Treasury projected a rise of 2 per cent. in GDP between the second half of 1976 and the same period of this year. The latest National Income forecasts being used in the

1970-100, seasonally adjusted	
1971	101.5
1972	104.5
1973	110.4
1974	109.5
1975	107.3
1976	108.2*
1976 1st	108.1
2nd	107.7
3rd	108.0
4th	109.6*
* preliminary estimate	

period which was affected by very long holidays and the hot weather.

The increase in the fourth quarter to a large extent reflected the higher level of industrial output but this mainly came from a rise in power and water output and the build-up from the North Sea activity with manufacturing production only just over a per cent up on the previous quarter.

GDP in the fourth quarter was 2.3 per cent. higher than in the same period a year earlier.

The latest GDP and industrial production figures suggest that defrosting has now stopped and there may have been a small build-up of stocks.

The output-based estimate of GDP is only one of three methods used although it is usually considered to be the most reliable measure of short-term movements. The other two estimates take account of expenditure and income data respectively and will be published together with an average estimate in the middle of next month.

## Pay dispute hits output at BSC's Llanwern plant

BY DAVID CHURCHILL, LABOUR STAFF

THE BRITISH STEEL CORPORATION's most modern steel making plant at Llanwern in South Wales, including its biggest and newest blastfurnace, was almost at a standstill last night after a pay dispute.

The number three furnace produces as much as the other two smaller furnaces, one of which had already shut down yesterday while it was being re-lined.

The Llanwern plant, which cost £300m. to build and produces 3.5m. tonnes of high quality rolled steel a year, has had a troubled record of industrial disputes. Apart from the year-long strike which delayed the new blastfurnace, there have been several minor disputes involving blastfurnace men over the past few years.

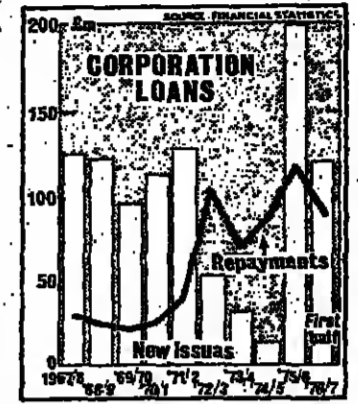
The Corporation is expected to shut down the plant for several days in an attempt to settle the dispute.

The Corporation confirmed that it had been forced to shut its number three furnace, which produces about 5,000 tonnes a day. This furnace came into production last year after another pay dispute by the blast-

THE LEX COLUMN

## Innovations in the BOC report

Index down 4.0 to 389.0



The main innovation in the latest accounts from BOC International is a separate statement signed by the three non-executive directors. They see it as part of their "long term function to present an independent review of the company's main operations on behalf of its various stakeholders"—and they admit that they are not yet in a position to fulfill this aim.

In practice it is hard to imagine that such a statement will ever be particularly outspoken. But BOC suggests that it will emphasize the idea that its non-executive directors have a special job to do, and that it may help to concentrate their minds on the precise nature of their role. Moreover, most non-executive directors have very little way of having a public impact at present other than by resigning. So this kind of development, which could perhaps be compared with the emergence of audit committees in the U.S., may serve a useful function.

A number of other interesting features include the directors' comments on the level of gearing appropriate to the business (higher than at present), and an indication of how borrowings may move this year. There are also some helpful comments and figures on the impact of current cost accounting.

Following the row about perks for senior executives, the Board's taxable benefits are disclosed separately, and so are the chairman's fees from its main associate.

BOC could still do better. For instance, the information about its pension arrangements is no better than average, and its capital employed is not broken down on any geographic or product basis. It is also possible to question whether the meaning of a value added statement from a group with BOC's international spread, or the need for quite such detailed statements about some of the smaller subsidiaries. All the same, these accounts should be read by anyone interested in improving the standards of corporate disclosure.

good enough for it to take a fairly relaxed attitude to debt provisions this time. Even so, the group's profit recovery has only been partial for its pre-tax total, reaching higher levels both in 1972 and 1973, and of course money worth a great deal more then.

In real terms Provident's business continued to contract in 1976, with year-end outstandings down £12m. to £119m. Turnover was, however, up 1 per cent, reflecting the way a group has been concentrating its resources upon more rapidly revolving short term credit. Provident will therefore have been able to reduce its borrowings, and indeed interest charges dropped from £9.8m. £7.1m. last year.

Although the shares yield 1 per cent (nearly twice covered at 80p) they may not have immediate potential after a rapid climb from the 45p region in December. The outlook for consumer spending and employment remains poor, and will be surprising if Provident achieves more than a modest profits gain this year.

Meantime there is a footnote to the 32p share bid by Cattle's, now referred to as the Monopolies Commission. Cattle's has made a point of a 50p "long term" value to existing holdings in its account—so now Provident is taking the 32p value, requiring an extraordinary provision of almost £1m.

## Tories seek revised textile trade rules

BY RHYS DAVID, TEXTILES CORRESPONDENT

FAIRER INTERNATIONAL trade arrangements for textiles and subsidising arrangements for textiles to reduce the imports pressure on the industry in Europe were advocated yesterday by Mr. John Nott, Opposition spokesman for trade.

Mr. Nott, while rejecting protectionism, because of the threat it could pose to exports, aligned Conservative policy with the textile industry's call for substantial revision of the Multi-Fibre Arrangement (MFA) which governs world trade in textiles.

In a statement issued before yesterday's Commons debate on the textiles industry Mr. Nott outlined five major objectives which the Conservatives would support in the negotiations due to resume next month on the next round of the MFA.

These were: a longer period during which the agreement should operate instead of the present three years; a flexibility clause to take into account changes in economic conditions during the life of the agreement; a longer base period of perhaps two to three years on which the size of quotas should be determined; greater equality of burden-sharing among the EEC members and global limits covering the total amount of textiles which would be allowed to enter the EEC market.

He also called for a significant strengthening of the anti-dumping procedures and the way that the Conservatives would see that U.K. interests were protected when responsibility for administering anti-dumping procedures was transferred to the EEC Commission in Brussels.

The tougher dumping measures include a switch in the burden of proof on costs from the manufacturer or industrial sector affected in the importer or exporting country.

The Tories would also seek statements from importers about cost of manufacture or average sales prices in the country of origin; and tougher controls on political pricing as practised by

## Britain may negotiate on Falklands

By Robert Lindley

COMODORO RIVADAVIA, ARGENTINA, Feb. 21. AN OFFICIAL British Government statement released here today, admitted the possibility of negotiations with the Argentine Government over the sovereignty of the Falkland Islands.

The statement, released by an official of the British Embassy in Buenos Aires minutes after Mr. Ted Rowlands, Minister of State at the Foreign and Commonwealth Office, landed here from Port Stanley, after a five-day visit to the islands, says the Minister "will try to work out terms of reference with the Argentine Government for subsequent formal negotiations concerned with the twin themes of political relations and economic co-operation."

The statement adds: "In any such negotiations, the broad issues affecting the future of the islands, including sovereignty, would have to be discussed."

This possibility was hinted at by the late Foreign Secretary, Mr. Anthony Crosland in his statement to the House of Commons on February 2, in which he announced that he was sending Mr. Rowlands to the Falklands to sound out the islanders. But never before has the possibility of discussing the sovereignty of the Falkland Islands with Argentina, which claims them as the "Malvinas" Islands, been stated so clearly by a British Government.

Mr. Rowlands goes on to Buenos Aires this afternoon and tomorrow and Wednesday will take in Argentine Foreign Ministry officials. Islanders fear sell-out, Page 6

## Argentina and Brazil plan nuclear deal

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

ARGENTINA, the most advanced nuclear power in Latin America, has agreed a nuclear deal with Brazil. The deal involves the Argentinians exchanging nuclear technology for advanced equipment from West Germany.

The military government of General Jorge Rafael Videla, in Buenos Aires, has been backing the attempt by General Ernesto Geisel's administration in Brasilia, to maintain unaltered the agreement signed last June with West Germany for the supply to Brazil of sophisticated nuclear equipment and know-how.

Both countries have refused to sign the Nuclear Non-Proliferation Treaty aimed at limiting the spread of atomic weapons.

The Geisel Government has been lobbying hard to neutralise pressure from the Carter Administration to have West Germany modify its deal with Brazil. Washington is keen that Brazil should not acquire the ability to recycle nuclear fuel and enrich uranium.

The acquisition of such technology by Brazil would give it the ability to manufacture atomic weapons. Although Brazil has not signed the Nuclear Non-Proliferation Treaty, the Brazilian Government has several times stated that it wants West German nuclear technology only for peaceful purposes.

Rear-Admiral Raul Castro Madero, head of Argentina's National Atomic Energy Commission, earlier this month expressed support for Brazil's efforts to expand its nuclear capabilities. It has been reported that Argentina already has the capacity to manufacture nuclear weapons.

According to Press reports from Buenos Aires, the Government of General Videla is seriously considering the possibility of signing a nuclear co-operation treaty with the Brazilians.

Argentina is generally considered to have developed the most advanced nuclear technology in Latin America. It acquired a full sized nuclear power station, Atucha, with a capacity of 230MW from Siemens and is planning to build "seven or eight" more power stations in the near future. These installations use natural uranium which is beginning to be mined in Argentina.

Javelra has refused to sell the Argentinian fuel enrichment technology until they sign the Nuclear Non-Proliferation Treaty. As a result, the Argentine Government announced last year that it would be taking the first steps towards establishing its own reprocessing and enrichment facilities.

A plant is to be established in the Patagonian province of Neuquen which, the Argentine authorities hope, will eventually produce 20 tonnes of heavy water a year.

Brazil has opted for enriched uranium technologies for its atomic energy programme and bought its first nuclear generator at Angra dos Reis, on the coast between São Paulo and Rio de Janeiro, from the Westinghouse company, of the United States.

### Flexibility

These were: a longer period during which the agreement should operate instead of the present three years; a flexibility clause to take into account changes in economic conditions during the life of the agreement; a longer base period of perhaps two to three years on which the size of quotas should be determined; greater equality of burden-sharing among the EEC members and global limits covering the total amount of textiles which would be allowed to enter the EEC market.

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## Heath calls for Treasury split

BY RUPERT CORNWELL, LOBBY STAFF

MR. EDWARD HEATH, the former Prime Minister, yesterday added his voice to the demands for a sweeping re-organisation of the Treasury and its public expenditure division into a separate and powerful Ministry.

The idea has already been canvassed in less forthright terms by Sir John Hunt, the Secretary of the Cabinet, and is known to have important backing within the Cabinet.

The Prime Minister himself has not concealed his own doubts about the way the Treasury operates, which he voiced publicly during the run-up to the IMF loan and the accompanying package last December.

The cornerstone of Mr. Heath's argument, expounded to a session of the powerful sub-committee of the Commons Expenditure Committee looking into the workings of the Civil Service, was that the present system placed an impossible burden on the Chancellor of the Exchequer.

He therefore advocated the establishment of a new Ministry to deal with public expenditure, which would take over the responsibilities of the existing Civil Service Department including pay and personnel management.

This would leave the Chancellor heading what amounted to a European Economic and Monetary Commission, looking after economic and taxation policy and international financial questions.

Such a system would mean that the two Cabinet Ministers would have to work closely together, and would also see the Prime Minister playing a larger part in the Cabinet and his colleague in charge of public expenditure.

But its greatest advantage was that it would lead to a continuing and deeper discussion within the Cabinet of all aspects of financial policy.

Of the two other options suggested by Sir John Hunt, Mr. Heath said that the manna be-

fit of maintaining the status quo at the Civil Service Department was that it ensured a sound career structure for Whitehall officials of all levels.

Worst of all would be for the Department to be taken back inside the Treasury. This would depress morale in the Civil Service, make the Treasury more cumbersome and produce no improvement in the control of public spending.

Asked whether the splitting of the Treasury would make the Prime Minister and top civil servants too powerful, Mr. Heath replied that few officials had direct access to the Prime Minister. In any case, in his experience, civil servants were firmly under Ministerial control.

Mr. Heath also defended the "super Ministries" such as the Departments of Trade and Industry and Environment which he set up when in office. He regretted the separation of Transport from the Environment Department.

Society To-day, Page 17; Parliament, Page 14

## Increased State aid for Swedish shipyards urged

BY WILLIAM DUFFORCE, STOCKHOLM, Feb. 21.

A GOVERNMENT-appointed group of consultants today recommended a substantially increased State subsidies and credit guarantees for the Swedish shipbuilding industry between now and the end of 1979.

It also proposed the establishment of a State-owned shipbuilding company, Stavary AB, to function as a parent company for the three shipbuilding concerns, in which the State has majority interests.

Mr. Sven André, the chairman, said the group had assumed that Swedish shipbuilding capacity would decline another 10 per cent. beyond the 30 per cent. already programmed by the end of 1978. The group's recommendations would entail another 6,000 redundancies in the yards and among sub-contractors, additional to the 5,000 previously envisaged.

The reduction in capacity recommended by the group's majority would have to be followed by more cuts if the market did not improve, Mr. André said. The group felt that any further retrenchment should be left to the new State company, which will embrace the Gäddaverken, Karlskrona, and Uddevalla concerns.

It proposes that Swedish shipowners be given incentives to place orders with domestic shipyards during the year beginning July 1, in the form of 12-year State credit guarantees, which would cover up to 70 per cent. of the contract price, and five-year depreciation grants, which would cover the remaining 30 per cent.

The State would guarantee credits up to a total of Kr2.1bn. and make depreciation grants—in effect subsidies—to a value of Kr500m. These measures, in Mr. André's view, should eliminate the difference between the Swedish yards' construction costs and Japanese ship prices.

The amount available for State credit guarantees for vessels built without orders for stock would be expanded by Kr2.5bn. above the present Kr5.5bn. Finally, the group recommends that another Kr2.2bn. be made available in State guarantees for the financing after completion of vessels produced for stock. The expansion in State guarantees recommended by the group totals Kr8.3bn.

The direct disbursements from the State budget envisaged by the group could reach Kr2.65bn. These would include the depreciation grants, a capital input of Kr950m. into the State company, including Kr550m. in share capital, and State price guarantees up to a value of Kr400m. a year for 1977 and 1978, to cover any losses on the sale of stock-produced vessels.

Fears over Japanese yards, Page 6

### Weather

**SUNNY SPELLS AND SHOWERS.**  
U.K. TO-DAY  
LONDON, S.E., Cent. S., S.W. and E. England, E. Anglia, Midlands, Channel Is., S. Wales  
Showers, perhaps heavy, sunny intervals. Wind variable. Max. 9C (48F).  
N. Wales, N.W. and Cent. N. England  
Sunny spells, showers, wintry intervals.  
Society To-day, Page 17; Parliament, Page 14

BUSINESS CENTRES	
City	Forecast
Ams.terd.	C 8-16
Berlin	C 9-17
Birm.ingh.	C 8-16
Boston	C 9-17
Brussels	C 9-17
Cardiff	C 9-17
Chicago	C 9-17
Copenhagen	C 9-17
Dublin	C 9-17
Edin.burgh	C 9-17
Hambur.gh	C 9-17
Harbin	C 9-17
Hong Kong	C 9-17
London	C 8-16
Lyons	C 9-17

HOLIDAY RESORTS	
City	Forecast
Algeria	C 14-27
Algiers	C 14-27
Batavia	C 14-27
Beijing	C 14-27
Bombay	C 14-27
Buenos Aires	C 14-27
Calcutta	C 14-27
Canton	C 14-27
Chongking	C 14-27
Colon	C 14-27
Cebu	C 14-27
Hankow	C 14-27
Harbin	C 14-27
Hong Kong	C 14-27
London	C 8-16
Lyons	C 9-17
Manila	C 14-27
Peking	C 14-27
Rangoon	C 14-27
Shanghai	C 14-27
Singapore	C 14-27
Tientsin	C 14-27
Yokohama	C 14-27

## What do you do when pressure builds up in Accounts or Finance?



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Employing the wrong person these days can be very expensive mistake. Don't risk it. Give your nearest office a ring today and arrange for one of our Consultants to visit and discuss your own problems.

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Registered at the Post Office. Printed by St. Clement's Press for and published by The Financial Times Ltd., Bracken House, Cannon Street, London EC4A 3DF.  
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